Daily Report

Latin America

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FBIS-LAT-93-037 *26 February 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Gives News Conference 24 Feb *[Havana TV]* 1
Raul Castro, Candidates Visit Eastern Municipality *[Havana TV]* 5
Fidel, Raul Castro Elected ANPP Deputies *[Havana Radio]* 5
20-25 Percent of Votes Blank *[NOTIMEX]* 6
One-Candidate Elections Cause Low Turnout *[Bonaire Radio]* 6
Voting in Havana 'Resounding Success' *[Havana Radio]* 6
Fidel, Raul Castro Confirmed *[Havana Radio]* 6
Carlos Lage Interviewed on Elections *[Havana TV]* 7
Carlos Lage on Economy, Oil, Foreign Investments *[Havana Radio]* 8
Castro Meets With Residents, Reporters in El Cobre *[Havana Radio]* 9
Castro Meets With Iranian Foreign Minister *[Havana Radio]* 10
Joint Venture Inaugurates Cellular Phone System *[Havana TV]* 10

Barbados

Finance Minister Recommends Structural Adjustment *[CANA]* 10

Haiti

Opposition Leaders Attend Mass for Neptune Victims *[Port-au-Prince Radio]* 11
Demonstration Follows Mass *[Port-au-Prince Radio]* 11
Injuries, Arrests Reported *[Port-au-Prince Radio]* 11
Opposition Asks Mission To Cease Negotiations With Bazin *[Port-au-Prince Radio]* 12

MEXICO

Salinas Letter to Mulroney Stresses Trade Ties *[Mexico City TV]* 13
* Succession Aspects of Bartlett Case Cited *[EL NORTE 17 Jan]* 13

CENTRAL AMERICA

Honduras

Military Agrees To Hand Over DIN to Civilian Control *[EL HERALDO 24 Feb]* 16
Report on Callejas 24 Feb News Conference *[Tegucigalpa Radio]* 16

Nicaragua

Lacayo, Pereira on Assembly, National Dialogue *[Managua TV]* 19
Lacayo Comments on Costa Rica Trip; Appeals for Peace *[Managua TV]* 19
UNO Issues Communique Backing Deputy Castilla *[Managua Radio]* 20
Alfredo Cesar Criticizes FPI, FSLN, General Ortega *[Managua Radio]* 20
Business Leader Accuses Army of Supporting FPI *[Managua Radio]* 21

SOUTH AMERICA

Argentina

Caputo, Di Tella Discuss Democracy in Haiti *[NOTICIAS ARGENTINAS]* 22

Bolivia

Editorial Sees Change With New U.S. Administration *[LOS TIEMPOS 13 Feb]* 22
Coca Growers Minimize Cutback in U.S. Antidrug Cooperation *[EL MUNDO 13 Feb]* 23
Commentator Urges Clinton To Change Existing Coca Policy *[PRESENCIA 14 Feb]* 23

Brazil

Government Position on Constitutional Amendments Viewed *[O GLOBO 23 Feb]* 24
Government To Submit Antitrust Bill to Congress *[FOLHA DE SAO PAULO 23 Feb]* 25
Commentary on Franco's Thoughts on Economic Order *[O ESTADO DE SAO PAULO 24 Feb]* .. 25
* Erundina, Crusius Cabinet Selections Seen *[VEJA 27 Jan]* 26
* Debate Over April Plebiscite Options Continues *[VEJA 10 Feb]* 28
* Politicos Realign in Anticipation of Plebiscite *[ISTOE 10 Feb]* 31

Chile

'Influential' U.S. Commission Supports Free Trade Talks *[Madrid EFE]* 36
Minister Views U.S. Position *[Santiago Radio]* 37
General Pinochet Leaves 'Unexpectedly' for Uruguay *[Santiago TV]* 37
Foreign Minister on Poisoned Grapes, De Klerk Visit *[Santiago TV]* 37
Implementation of New Drug Enforcement Plan Announced *[Santiago Radio]* 38

Colombia

Alleged Escobar Associate Surrenders to Authorities *[Santa Fe de Bogota TV]* 38
DAS Alerts Airports To Block Escobar Relatives *[Santa Fe de Bogota TV]* 38
Venezuelan Officers Implicated in Coup Said Hiding *[Santa Fe de Bogota TV]* 38
Government Steps Up Fight Against Drug Traffickers *[Santa Fe de Bogota TV]* 38
Medellin Car Bomb Injures 15, Causes 'Extensive' Damage *[AFP]* 39
* Business Sector Attitudes on Economy Surveyed 39
* Overview of Sectors *[EL TIEMPO 10 Jan]* 39
* Security Threat *[EL TIEMPO 10 Jan]* 41
* Small Industry *[EL TIEMPO 10 Jan]* 42
* Improvement Expected in 1993 *[EL TIEMPO 10 Jan]* 43
* Exporters Optimistic *[EL TIEMPO 10 Jan]* 43
* Agriculture Pessimistic *[EL TIEMPO 10 Jan]* 44
* Economic Liberalization *[EL TIEMPO 10 Jan]* 44
* Country's Role in Regional Trade Viewed *[EL TIEMPO 18 Jan]* 45
* Electrical Sector Expansion Plans Accelerated *[EL TIEMPO 19 Jan]* 46
* Hommes Discusses Economic Strategy for 1993 *[EL TIEMPO 25 Jan]* 47
* New Government Minister's Past, Plans Viewed 49
* Reaction to Appointment *[EL ESPECTADOR 17 Jan]* 49
* Villegas Discusses Plans *[EL TIEMPO 14 Jan]* 49
* Galan: ELN May Participate in 1994 Elections *[EL TIEMPO 22 Jan]* 51
* New Law To Reduce Government Corruption *[EL ESPECTADOR 27 Jan]* 51
* Misuse of Funds at Colpuertos Investigated *[EL TIEMPO 27 Jan]* 52
* Prosecutor's Office Lacks Funding for Programs *[EL TIEMPO 27 Jan]* 53

Ecuador

Duran-Ballen Surgery Called 'Successful' *[Quito Radio]* 55
Bomb Explodes at Finance Ministry; No Casualties *[NOTIMEX]* 55

Paraguay

U.S. Asked To 'Repair' Damage Caused By Torture *[Asuncion Radio]* 55
Foreign Ministry Asks Brazil To Pay Itaipu Debt *[ABC COLOR 23 Feb]* 55
President Blamed for Colorado Party Crisis *[ULTIMA HORA 24 Feb]* 56
Investigative Police Archives Reportedly Burned *[ULTIMA HORA 25 Feb]* 57
Federation Proposes Renegotiating Asuncion Treaty *[ULTIMA HORA 25 Feb]* 57

Peru

Future U.S. Ambassador, Peruvian Image Abroad Viewed *[EXPRESO 12 Feb]* 58
Montesinos Accused of Involvement in Espionage Case *[CARETAS 18 Feb]* 58
Fujimori on IMF Postponement of Funding *[Lima TV]* 59
Dincote Arrests Doctor Linked to Shining Path *[Lima TV]* 59
El Callao Police Present Five Shining Path Members *[Lima TV]* 60

Uruguay

Chile's Pinochet Arrives 'Unexpectedly' *[Montevideo Radio]* 60
Demonstration Against Pinochet's Presence *[Madrid EFE]* 60

Cuba

Castro Gives News Conference 24 Feb

FL2602051493 Havana Cuba Vision Network in Spanish 0201 GMT 26 Feb 93

[News conference given by President Fidel Castro in Santiago de Cuba on 24 February—recorded]

[Excerpts] [passage omitted] [(Yoli Mascarena) of AZAI Television, of Japan] Good evening, Commander. I would like to ask you two questions. First, among the latest changes....

[Castro, interrupting] Is everyone going to ask two questions?

[(Mascarena)] It is a two-part question. Among the changes that have taken place in the government as of late, such as allowing workers to keep tips, and to open bank accounts in dollars; why was this done? And, will this not bring about social inequality by allowing a group to buy with hard currency while another cannot?

[Castro] Well, what is being done regarding tips is an experiment. There is a reality, many times we are in conflict with realities but the realities are persevering and persistent. We have outstanding people working in the hotels but there is a rigid policy regarding currency exchange. Most of the workers follow it. In other words, they exchange to pesos the hard currency they get in tips. A large number of the workers do this but a number of them do not.

This is the result of the great objective difficulties we are experiencing. Many times they get tips in the form of items or products. This promotes the fact that there are things outside the established policy, that violations are made regarding this. We have to accept the reality that tourism brings along certain problems. Inevitably, this is so. But we cannot renounce tourism because we do not have large oil deposits. I can assure you that if we had the oil deposits which Kuwait and other countries have, we would not promote tourism as much, but basically promote domestic tourism, as we did for many years. [passage omitted]

Tourism is one of the biggest prospects for our economy. We decided to develop tourism. In our experience with tourism we have learned all these things regarding tips. This promotes violations by workers who otherwise are very good workers. We decided to take the realistic approach. This is why we are conducting this experiment to allow then to exchange the tips for certain certificates and be able to buy in stores created for this purpose.

We cannot speak of dollar accounts. The enterprises are the ones which have accounts in dollars. We can talk about the ownership of certain currencies in the form of certificates which can be used in certain stores. This is not ideal but we have no other alternative because we do not have enough resources to give to everyone and decided to give it to certain sectors such as the sector which works in tourism. There are other ideas which we are realistically developing regarding other sectors.

This will mean, that, yes, some citizens will have opportunities which others do not have but the income derived from their work and purchases in the stores will serve to buy powdered milk for the children, buy medicine for hospitals, and help the rest of the citizens. This will not be done to make anyone wealthy but to improve....[changes thought] If $1 million, or $10 million are collected in this manner, you can be assured that this goes directly to the rest of the workers. If we do not do this, this money can be put away and become a source for illegal exchange, the black market, and all those types of things, or a worker might ask a tourist to buy him something instead of giving a tip.

We did not invent tips. Tips were invented by the world, life, capitalism, and Western societies. I do not know if Eastern societies give tips, but the Third World is generally so poor that I doubt they can be blamed with coming up with the idea of tips. You, the Western world, invented it. We are your hosts and have to welcome you with all your virtues as well as some of these diabolical inventions which you have brought into this world and with which we have to reconcile. Our goal is not to give privileges to anyone but obtain resources for the rest of the population which is what all our resources are aimed at. [passage omitted]

[Diane Sawyer of ABC Network of the United States, in English] Mr. President, I have a question about the elections the next time around. I am just curious if you will be seeking changes in them or you would like to see run exactly as they were today. And also, say, five years from now, will you definitely be a candidate?

[Castro, in Spanish with simultaneous translation into English] [passage omitted] You are asking me a personal question. I hope my fellow citizens will not demand from me that in five years I be again nominated as a candidate to the National Assembly because although I consider myself a slave to duty, and I consider that I am a slave of the Revolution, I hope that the conditions in five years will be different to the present conditions. To accept the nomination in the midst of the special period, I think it has some merit. Once the special period is behind us, I would feel I have the right to protest. But even if we still have a special period, I hope that my fellow citizens will understand and accept that someone else can do the same job or do it even better, or much, much better than I can. I say this with all sincerity. Time passes by and even marathon runners become tired and this race has been a long race for us. It has been a privilege to have acquired so many experiences, to have lived so many years of experiences, all kinds of experiences, many of them marvelous but it has been a very long race, too long. Much longer than the race recorded in Greek history which took the life of the runner who delivered

the news of a victory after running 42 km. I think that I have run more than 42 km in this revolutionary marathon.

[Sawyer] May I just clarify: You do expect to be president five years from now?

[Castro] Well, I wish it would not be necessary. Because, five years at the present rate of work is a very, very serious thing. Therefore, I hope not. On the other hand, there is life. We have to see what life will bring. What will the health be like. What will everything be like. So far, I have resisted everything perfectly well but all of us are biological beings. Time passes by. The years go by. I would have to wait for nature to grant even more privileges in order to be able to discharge my duties properly. But I can assure you that my personal work, my personal office, my personal work [repeats] is the least important thing to me. What is important to me are the ideas that I have been defending. What I care about is the fatherland, the Revolution, and socialism. This is what I care for the most and for this I am willing to sacrifice everything. It goes without saying, that above all, I will be willing, like millions of my fellow citizens, to give up my life for this.

[Sawyer] Thank you. [passage omitted]

[Enriqueta Castillo of Radio Nacional de Espana] You said before that these elections have represented a real revolutionary change. I agree with that, and in addition I think there is another revolution that is to take place within the Revolution, which is handling the increase... ..[rephrases] opening doors to investment, as you have done. But my question is whether you think Cuba is prepared to handle that revolution, because opening doors to foreign investment also assumes a very profound change in the country's productive system and infrastructure. This can take years. This cannot be done overnight. So, is Cuba prepared to handle this period, which may be lengthy, of adapting to this new revolution within the Revolution?

[Castro] I was seeing some reports that had come in, but I will try to answer your question because there is nothing new here. It cannot be said that we are totally prepared. That is also a new experience. We were not prepared for this system we adopted in these elections either, but we have handled this experience successfully. Of course, the other thing is more complex and difficult. But we can say that the opening we have made in the economic sphere—which is not a total opening—is greater than the opening the Chinese made 10 years ago. They very wisely did it gradually, and they have undoubtedly had great successes. They have accumulated important experiences.

I think that the basic difficulties in obtaining results from this economic opening are not due to our inexperience, because we have shown that we have the ability to manage some things. We have shown that we have the ability to carry out joint ventures and develop excellent relations with the joint ventures and foreign capital that is invested in our country in those areas in which the opportunity to invest foreign capital has been offered. So these are partnerships with foreign capital that do not involve giving up the country's socialist system. This is not a change in the system. It is an economic opening, and it includes accepting investments in all those areas where we need capital, technology, markets, or experience.

There are many areas, and as we have been looking further into this subject, we see very clearly in what areas foreign investment will suit us and in what areas it will not suit us. In producing of our food and many things, we have no need for that foreign investment. In other areas we do have a need. If we are going to develop tourism, we need capital and foreign investment, although part of the investment comes from our capital. This hotel where you are staying was built entirely with Cuban capital. It is Cuban. This does not rule out the possibility of a partnership to run this hotel with some foreign company which will guarantee the tourists or can supply all the experience that is required for the best management of a hotel. Even in joint ventures with 50 percent ownership, we prefer that the foreigners, who have more experience, manage the hotel, so that we can gradually acquire that experience.

The major difficulty is the economic embargo, the enormous pressure the United States brings to bear so that investments will not be made in our country. That is not the case with China. The United States has good relations with them and a lot of trade, and also investments there. The United States not only refrains from investing in Cuba, but brings enormous pressure to bear throughout the world so that no one will invest in Cuba. It brings pressure to bear not only on governments but also on private businessmen. So the businessmen who have made investments have done so in defiance of the U.S. pressures. That is the major obstacle to the progress and success of this opening we are undertaking. It is not our inexperience, because if it depended on our inexperience, there definitely would be no obstacles. We are intelligent, flexible, and able to learn quickly what we must learn. The economic embargo is the major difficulty in our way with respect to this economic opening we have made.

[(Cathy Salermo) of ANSA, Agenzia Nazionale Stampa Associata, of Italy] Mr. President, my question has to do with the subject of the null and blank ballots. I have talked with many Cubans about their positions regarding the elections. Many have told me they are going to vote for all the candidates because they fully identify with the Revolution and because they understand that the country is going through a special situation. But there are also others who are unhappy and intend to cast blank or null ballots. Some are unhappy about the economic situation, others because they believe that they cannot fully exercise their civil and political rights, others because they do not know the candidates, and others because although they know the candidates they do not think they are the right ones for the assemblies, even

though the candidacy commissions worked to select the best of the country's citizens.

So, I am going to ask two questions, following the tradition we have established. I would like to know first of all why the null and blank ballots are not considered valid votes if in fact they also express the opinions and feelings of a group of voters, even if this group is small? The second question is what civilized alternative is there for these people to express their opinion through the ballot, which is the democratic way of doing so, if their opinion is not taken into consideration?

[Castro] Let me say that the citizens who cast blank ballots have not exercised their right to vote. Those who cast blank ballots have not exercised their right to vote. Those citizens who deface and nullify their ballots have not exercised their right to vote, as defined by the law and the electoral commission. That is why the null ballots....[rephrases] What are the valid votes? Of course, the blank ballots are not included among the valid votes. The null ballots are not included among the valid votes. There is a tradition of concepts. If someone wants to nullify his ballot by drawing lines on it or making a big X, why should his vote be considered valid if he did not want his vote to be valid? He knows what the law is. If he wanted to, he could choose not to nullify his ballot. He could choose, or vote for one person. He has a lot of possible alternatives. So his ballot is valid; he is the one who nullifies it. Those who cast blank ballots are the same as those who do not vote, those who remain at home. They can stay at home. They receive the ballot and cast it blank.

But here the important thing is—and I know why you have asked a lot of questions and want to know how many blank and null ballots there are—that the electoral commission has promised to give all the figures once the entire process is completed. Because some were interested in this. It would seem that the Revolution has no opposition. It would seem that imperialism was not the Revolution's greatest adversary, and that this country was not fighting against the most powerful empire in history and in the world. This is a challenge that no small country has ever faced in the history of humanity.

Do not forget that those who are against the Revolution are following instructions. I am not talking about someone who did not like the candidate and did not want to vote for him, because that is an opinion. But as a rule, the Revolution's opponents identify totally with imperialism and imperialism's policies. They have so many media outlets, dozens and dozens of radio stations, and hundreds of hours of radio time per week, of propaganda directed against Cuba. More propaganda is directed against Cuba than has been directed against any other country in the world. You are referring really, as a rule, with some exceptions, to the sector that follows imperialism's line and instructions.

Unquestionably, the electoral commission members thought it best to wait for the end of the process to give all these figures, and they are going to give them. Because they wanted to find out how much strength the Revolution has. There have always been blank ballots, and there have always been null ballots in our elections. But they have never shown so much interest in the problem, and they have never said so many lies. It has been said that 40 percent of the ballots were null or blank, or 30 percent, or things like that. Really, I can say, without getting ahead of the electoral commission, that on 20 December there was about 10 percent null and blank ballots. About 10 percent, which is one out of 10. It is insignificant.

Many of the null ballots were nullified involuntarily because of mistakes in voting, the place where the cross was written, because it was not very clear where it was, or because things were written on the ballot. They did this by mistake. Many even wrote revolutionary slogans. We have asked our voters to please save their enthusiasm and not express it on the ballots. Because if they express it on the ballots, they nullify them. Some of the null votes were like that. Others were blank. All of them together totalled one in 10. It was a little more in some provinces, a little less in others.

So I very much doubt that in these elections it will be more than one in 10. This means that nine out of 10, at least....[changes thought] We are going to wait for the electoral figures, because I do not want to speak too soon, and say out of eight, nine, 10, 11, or 12, about the null or blank ballots. But that is insignificant—one in 10—out of an electorate in which 98 percent have voted.

Now, imperialism is doing everything to smother the Revolution, to make our people surrender out of hunger and disease, so that we cannot receive food or medicine. They want to strangle us, smother us. By creating a crisis in our country, they want to promote a counterrevolution. Imperialism's failure is really very great, as it has not succeeded even in getting the support—and we must see if it is support—of each person who cast a null or blank ballot. Assuming that each one was trying to follow a political slogan or political instructions from imperialism, its failure is very great. Because the whole campaign they did was directed at nullifying ballots. A single radio stations—I heard it today also on television, the specialists were explaining it—a single radio station had stated more than 1,000 times, more than 1,000 times [repeats], a radio station in the United States, the slogan of nullifying one's ballot, more than 1,000 times between 8 and 24 February.

That was the motif they started, which became the enemy's slogan, while the Revolution's strategy was focussed on voting. So it was a question of deciding between imperialism's line or the Revolution's line. That is what has happened here in the elections, and not only in the elections for the delegates to the provincial assembly and the deputies. They have enormous resources. Now, if imperialism succeeds in putting the Revolution in crisis, if one day they are the majority, then they would defeat the Revolution in a very simple

way, by going to the district assemblies, presenting their points of view, proposing their candidates, nominating them, and electing them. The counterrevolutionaries could do exactly what the Revolution did, if they were in the majority. The problem is that they are an insignificant minority. That is their problem, and that is imperialism's problem.

They have been very interested in seeing how much the special period our country is experiencing has weakened the revolutionary forces. I think they have received a conclusive lesson today about how the revolutionary forces have acted. Because they have acted not only in the opposite direction from the slogans imperialism had issued, but they have acted in a united way, with solid unity, and based on awareness. Because as we said, there is a strategy, not a slogan but a strategy, of the united vote. [passage omitted]

If others want to return to a capitalist society, if they want to return to the past, if they want to destroy the Revolution, they must persuade people as we did. It will be very difficult to persuade this nation, young and old people, that they must abandon the nation, the Revolution, and socialism, because they are aware of what it has meant to them. Their path is very easy: Go to the district assemblies, nominate their candidates, and elect them. Because when the people nominate and elect, the counterrevolutionaries, those who are disaffected with the Revolution, those who disagree with the Revolution, have as much opportunity as the revolutionaries. [passage omitted]

[(Name indistinct) of LE FIGARO of France] Commander, this is a question on economics. In China, President Deng Xiaoping [as heard] has undertaken a new system called the socialist market economy, with a policy which is still communist but with a capitalist economy on the other hand. What do you think of this system, and is it possible to use this system in Cuba to overcome the crisis?

[Castro] We have not gone that far, nor are we in a position to establish a socialist market economy. That is a Chinese hypothesis and (?conviction) which we have read about and heard about with great interest, and we are observing it with great interest to see how it goes. But the conditions in China are completely different from ours, because China is not under an embargo. We are under an embargo by the most powerful economic power in the world, a country of great influence. They have expanded their embargo against us to the rest of the world. That country does not have trade with us. We have to struggle hard in conditions of survival, which are not the minimum ideal conditions to carry out some of these experiments that the Chinese are carrying out. What we will do, as we do with all countries which are undergoing some new experiment, is to observe, pay a lot of attention to all that and see how that experiment goes. If something useful can be taken from it for our country, do not doubt that we will use it. [passage omitted]

[Andres Martin of Portuguese radio, from Uruguay] I want to ask you if it was not a political mistake for the Cuban Government to sign the nonproliferation treaty for nuclear weapons....[corrects himself] chemical weapons, because the United States, which is the mortal enemy of the Cuban Revolution, has weapons of that kind and of all kinds. Why is the Cuban Revolution not arming itself (?with that kind of weapons)? That is my first question. [passage omitted]

[Castro] Well, about the treaty on chemical weapons. The treaty on chemical weapons is not based on a principle of fairness, because it is really not fair that a country that is threatened, under an embargo, and against which military plans are constantly being made, should renounce a weapon. So it is not fair. It is not just. The problem....[rephrases] There are two reasons. First, there is a matter....[rephrases] There is a worldwide movement against chemical weapons. Libya has not signed; Libya does not give as much importance as we have to this worldwide movement against chemical weapons. In order to have coordination with many countries in the world, we have supported the elimination of chemical weapons.

That is a political reason, but there are also two practical reasons. Our capabilities for having chemical weapons are remote. We do not have the resources to undertake production of chemical weapons, with all the needs the country has. Another practical reason is that we would be competing against a country that has all the chemical weapons it wants, and superdeveloped technology. Would it be good for us to introduce the use of chemical weapons in a war between the United States and Cuba? If they introduce them even if we do not, we would have no other alternative but fatherland or death. So death is better than not having a fatherland. It is better to have a nation than to die, but it is better to die rather to live without a nation. As Marti said: Without a nation, but without a master, I want to have over my tomb a wreath of flowers and a flag.

That is clear. But we are not going to ensure that by manufacturing chemical weapons. That is the problem. They have them, but in practice, if they have them to use them, then they should use them, because there will not be so much difference. Because chemical weapons not only need to exist, but you have to have the means to deliver them. We would not have the means to deliver those chemical weapons, neither the missiles nor the planes to deliver them, nor enough of them to make an impression in a chemical war.

We would have greater capabilities for making progress in the field of biology, or trying to make biological weapons. We have never even thought about making biological weapons, because of morality, simply because of ethics. They have used biological weapons against us. We apply the same reasoning to biological weapons as to chemical weapons. We could apply it to nuclear weapons, even though it is a matter of that kind of principle, I could say. We have not signed the treaty on

nuclear weapons because we have not felt like it. But we do not have the capability to manufacture nuclear weapons, and it would be folly to get into an arms race with the United States by making nuclear weapons.

With this I mean, with a lot of common sense, that would not strengthen our defense or help our defense. It would also serve as a pretext for attacks against our country. In addition, our concept of war does not include the use of that kind of weapons. [Words indistinct] we base our defense [words indistinct] war of the entire people the kind of war we think we can carry out if we are attacked by the United States, the kind of war we can do to defend our country, and which the enemy would not have any way to counteract. (?The only way to counteract it) is to exterminate us. If the United States wants to exterminate us, it can do so. It can also exterminate other countries. It can also exterminate many other countries in the world if it wants to, or if it decides to do so.

Morally, practically....[rephrases] Well, Vietnam is proof that. They decided not to use nuclear weapons, but the socialist bloc existed then as a tremendous counterbalancing force. In a war today against Vietnam, could we be sure they would not use chemical weapons? In the war against Vietnam they used chemical weapons, but not directly against the populace. Could we be sure they would not use nuclear weapons? We could not be sure. But we want to be in a strong political and moral position and do things in what we consider the sanest, most sensible way. Because otherwise we would get into an impossible competition, an impossible balance of weapons and technology which we cannot reach.

We already have enough to do with the need to cope with conventional weapons, which are the only weapons we have for our defense. These have been the views, the principles, that have guided our policies. To do otherwise would be an impossible task. That is why we prefer to maintain our concept of the war of the entire people and defend ourselves with conventional weapons, because we are sure that with conventional weapons in the war of the entire people, we can make imperialism pay too high a price for an invasion of our country. That is our concept. [passage omitted]

Raul Castro, Candidates Visit Eastern Municipality

FL2402132993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0117 GMT 24 Feb 93

[Text] Since the early hours of 23 February, Army General Raul Castro, the second secretary of the Central Committee of the Communist Party of Cuba [PCC], has been touring various people's councils in Segundo Frente Municipality in Santiago de Cuba Province.

Jorge Luis Cervantes, who is also a candidate to the National Assembly for this municipality, is accompanying the minister of the Revolutionary Armed Forces, as well as Caridad Garcia, Felipe Ferrer, Leni Avivar, and Antonio Nunez, who are candidates to the Provincial Assembly of the Peoples' Government.

In San Benito, Raul and the other candidates held a meeting with a group of members of the Production and Defense Brigades of the region who are involved in activities aimed at obtaining the status of ready for defense in the second phase for this municipality in salute to the 35th anniversary in March of the founding of the Frank Pais Second Eastern Front.

Nearby, at Roberto Labrada Primary School, its over 300 students and teachers gave a warm welcome to the candidates who will represent this municipality at the provincial and national levels of the people's government. The residents of San Benito, upon hearing of Raul's presence, began to gather in a spontaneous expression of support to the Revolution and its strategy for the 24 February elections: voting for all the candidates.

In the town of Amaro, which is part of this people's council, the residents and the students of the local school also demonstrated their revolutionary enthusiasm and knowledge of the candidates for whom they will vote tomorrow.

At Tumba Siete People's Council, Raul stopped at the historic site where the Jose Marti School for troop teachers and revolutionary instructors was founded during the Revolutionary War. The meeting with an all-female company of the Territorial Troops Militia and two Defense and Production Brigades at Tumba Siete's firing range was particularly moving. Raul had heartfelt, profound words for them. Militia members, residents, and Pioneers from the school began gathering around Raul, the candidates, and Division General Ramon Espinosa, the chief of the Eastern Army and a Central Committee member; Jorge Risquet, a Central Committee member; and Hector Licea, the PCC first secretary in this municipality, who was also part of the group of visitors.

The visit by the PCC second secretary, who has been nominated to the National Assembly for this municipality and where tomorrow he will exercise his right to vote, continues as of the closing time of this report.

Fidel, Raul Castro Elected ANPP Deputies

FL2502152093 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Feb 93

[Text] We have just received a last-minute report that, according to information received at the National Electoral Commission, Commander in Chief Fidel Castro was elected as a deputy to the National Assembly of the People's Government [ANPP] for District No. 7 in Santiago de Cuba Municipality, and Army General Raul Castro Ruz was likewise elected in Segundo Frente Municipality, Santiago de Cuba Province. Both Fidel and Raul got 99 percent of the valid votes, which means that these municipalities have confirmed that Fidel and Raul are deputies to the ANPP.

I have the report right here. This report may change as the numbers of the voters registry is updated. Pinar del Rio Province closed with a voter turnout of 98.96 percent; Havana City Province, 98 percent; Havana Province, 98.19 percent; Matanzas Province, 98.78 percent; Cienfuegos Province, 99.34 percent; Villa Clara Province, 99.19 percent; Sancti Spiritus Province, 99.27 percent; Camaguey Province, 98.87 percent; Las Tunas Province, 99.86 percent; Holguin Province, 98.15 percent; Granma Province, 99.29 percent; Santiago de Cuba Province, 99 percent; Guantanamo Province, 99.07 percent; Isle of Youth, 97.78 percent; and Ciego de Avila Province, 99.32 percent.

Yesterday, a total of 7,842,100 Cubans voted, which represents 98.74 percent of the voters. I repeat: These figures may change as the voters registry is updated. So far, more than 428 deputies have been elected with more than 50 percent of the valid votes that were cast. The provinces that have finished, that have already elected their candidates for deputy, are Pinar del Rio, which elected 38; Camaguey, 44; and Las Tunas Province, 26. All the candidates for deputy in those three provinces were elected.

This is the last-minute information that we have for listeners of the "Doing Radio" program. Perhaps in a few minutes we will be able to update this information.

20-25 Percent of Votes Blank

PA2502031393 Mexico City NOTIMEX in Spanish 0233 GMT 25 Feb 93

[Excerpts] Havana, 24 Feb (NOTIMEX)—A total of 7,630,836 Cubans, 97.77 percent of all eligible voters, voted until 1800 (2300 GMT) in the elections for a new parliament and 14 provincial assemblies, the National Electoral Commission has reported. [passage omitted]

According to unofficial estimates up till now, the number of blank or nullified votes fluctuates between 20 and 25 percent, as compared to the 15 percent rate officially recognized in the partial elections held last December.

One-Candidate Elections Cause Low Turnout

FL2502134093 Bonaire Trans World Radio in English 1100 GMT 25 Feb 93

[Text] Cubans went to the polls yesterday in a first direct national and provincial assembly election since President Fidel Castro came to power in 1959. Voter interest was low because only one candidate was represented for each available seat. According to reports, the only suspense was to see how many of these 7.5 million Cubans would bother to go to the polls.

Voting in Havana 'Resounding Success'

FL2502185293 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Feb 93

[Text] In a morning of triumph, our country's capital capped this great political battle with more than 1.6 million voters, 98 percent of the total, casting their ballots. Marianao and Boyeros municipalities led the list with 99.3 percent, followed by Regla and Cerro.

The residents of the capital have had a resounding success. None of the municipalities in Havana City Province had a voting rate below 96 percent. The unavoidable objective reality that portended a difficult and complex elections process in the city was minimized by the dignified response of its men and women, who set the goal of doing their duty to the nation and Fidel and more than did so.

The ringing of the Demajagua bell and the shout of Baire were renewed today in this province, as they were throughout the country. The people's reasoning and reaction bore witness to Marti's words. Undoubtedly, this has been a beautiful page in this time for unity.

Fidel, Raul Castro Confirmed

FL2502201393 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Feb 93

[Text] The population's response to the 24 February elections can be described as a patriotic and revolutionary victory: 98.75 percent of the electorate went to the polls. This is reported in the National Electoral Commission's latest bulletin.

The fact that Commander in Chief Fidel Castro was elected deputy, obtaining 99 percent of the valid votes cast, also reveals the Cuban people's faith in their leader, who has led them to this new victory of ideas expressed in the united vote cast by a large majority of the voters. Army General Raul Castro was also elected deputy, for Segundo Frente Municipality, winning 99 percent of the valid ballots cast there.

The 575 candidates for deputy who have already been recorded to have received over 50 percent of the votes cast in their respective municipalities or electoral districts are further proof of the Cuban people's response. This means that as the vote counting process continues, 97.62 percent of the deputies throughout Cuba have already been elected.

The work of formal confirmation of these victories is another of the steps on which the members of the National Electoral Commission are focusing. Right now, 111 of the deputies elected nationwide—including the commander in chief and Army Gen. Raul Castro—have been formally confirmed by the Commission.

The Commission is also working on bringing the voter registries up to date in order to determine the official percentage of the 7,842,100 voters who turned out to vote. This percentage is expected to go down in history

as the largest since the people's government was established in 1976, when voter participation reached 99.3 percent.

While the vote counting continues in the different provinces, the Electoral Commission is also working long hours on the process of formally confirming the deputies who have been elected. They still have many hours of this work before them.

When the vote counting for the deputies to the National Assembly is finished, their work will focus on the 1,190 delegates to the provincial assemblies, who were also presented to the voters yesterday, on the white ballots.

Carlos Lage Interviewed on Elections

FL2502131193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0304 GMT 25 Feb 93

[Interview with Politburo member Carlos Lage, secretary of the Executive Committee of the Council of Ministers, by Pedro Martinez Pirez in Havana on 24 February—recorded]

[Text] [Martinez] I should say that Carlos Lage has been here since 0945. This shows, or confirms, I think, what many people thought during his appearance on a two-part program. He is, of course, a high-ranking leader of the revolution. He is a Politburo member and secretary of the Executive Committee of the Council of Ministers, but he is also a person who greatly respects our work and greatly respects.... [changes thought] I remember that on that program someone said: We have taken up your time; and Lage said: No, I am fulfilling my duties.

That is, therefore, why he is here. He is also a candidate. He is popular, as is Eusebio Leal. He is as talkative as Eusebio Leal who also has merit and virtue and is a young pediatrician. He was a member of the Federation of University Students and the Union of Young Communists. I have spoken with him during these last few days and the time even came, on the afternoon of 23 February before he was appointed, when he himself said: I know that they are going to appoint me, and I am going to talk to the Council of State. But I want Carlos Lage, who has a lot to say, as he showed during those two appearances, to talk about his experiences, his personal experiences in this extraordinary contact we have all had with the people and about what is going to happen based on this wonderful experience that we are all having.

[Lage] Well, thank you, Martinez Pirez and Hector Rodriguez for this opportunity to be here with you again. I am beginning to feel that I am not only a viewer of the Today program but a friend of the program. I am very happy to be here. Without a doubt, I think this electoral process we are carrying out is very important and is an extraordinary experience. We Cubans can be proud of the elections we are holding. They are elections without fraud, and not only without fraud but without the possibility of fraud, without the idea of fraud.

I just voted at a polling station, like everyone, right? I saw the people working at the polling station. They are people we know and when you see those people, who are not just revolutionaries but honest people, decent people, you know that the idea of fraud, which is so common in elections in the world, is not possible here. It is not even imaginable. No one even dreams of it.

These are everyone's elections. The people vote; 97 percent voted during the municipal elections. Something similar is sure to happen here. It is known that 30, 40, at times even more than 50 percent of the people do not participate in the elections elsewhere. These are elections that are not driven by money; that is, no candidate here has to look for money to campaign. Everyone knows that when someone receives money to be nominated and elected, he has an obligation to the person who financed his campaign, and therefore his election and his responsibilities. He must respond to the interests of those who financed his election and who will finance his reelection or his possible reelection.

We are holding elections in which our democracy is not restricted to the role of the parties. That is to say, our democracy is much more than that. The people nominate and elect through a direct and secret vote. Behind all of this, there are what we would call some objective circumstances, which is the fact that we are holding the elections at a difficult time, but at any time, the revolution would be holding elections under circumstances of social equality; that is, circumstances of economic and social equality in the people's life, of much more equitable distribution of the country's resources than in any other country in the world. This objectively conditions true and equal participation [words indistinct].

We are holding these elections, which I would say have been deepened this time (?with the direct election of) the deputies and the delegates to the provincial assemblies. Without a doubt, it seems to me that this has great importance in the elections. It makes our elections more democratic and therefore, I would say, more socialist. But I also think, as you pointed out in the question, that it will have later repercussions on the work of the people's government bodies and the political work of the revolution.

Together, we have shared an extraordinary experience in these two weeks in our contacts with the population. I can sincerely say that for me it was surprising. One always hopes for the people's enthusiasm, the people's attitude, and revolutionary behavior by the people. This is well known throughout history, but I think we were surprised more than once by the people's reaction during this time. At least, I was.

The people reacted with great enthusiasm, great patriotic fervor. The people reacted with great affection toward the candidates. Rather than with great affection toward one candidate or another, I would say they reacted with great affection toward the candidates, as toward family

members, knowing that they were the revolution's candidates. So those meetings were really quite revolutionary, fraternal, and exciting, and I think they have left a strong mark on everyone. It was a great experience for the people, because since they were to elect the deputies, they could not limit their knowledge of the candidates to be elected, as deputies, as delegates, to their resumes. It was necessary for them to have as much direct, personal knowledge of them as possible. I would say that it was a great experience, and that it was an even greater experience and made an even greater impression and impact on the candidates, as they received that revolutionary spirit and affection directly from the people.

So this creates circumstances, a relationship, a link between the candidates and the district or municipality for which they ran. A link was created that cannot be broken in any way. In addition, we should strengthen it and follow up on it in the future. I think that naturally, during these two weeks, there were a good many meetings within a very short time, practically morning, noon, and night. They will not be as frequent as that, but we must maintain that link between the candidates and the people by whom they were elected. We must continue this constant contact with the people who elected a delegate or deputy.

I also think that there is a commitment—I do not want to say a greater commitment, because it is unlikely that anyone who is fully aware of the time the country is going through could be more committed—but a renewed commitment. A commitment marked by these meetings with the people is also created for the future. This will undoubtedly have an impact on the people's government work. I think this gives us valuable experience. We have spent considerable time on these elections, in the midst of the sugar harvest and very important tasks, in the midst of the shortages from the economic difficulties we are experiencing, but I think that the elections not only leave with us people's government bodies formed with real, essential democracy, but also leave the revolution stronger. They leave us with a revolution with greater strength to cope with the special period.

[Martinez] Although Lage is a pediatrician, he is a man in charge of economic matters. Here at the end he showed to a certain extent that all this activity could not help but affect our economy which is at a difficult time. However, I think that this effervescence, this patriotism, this qualitatively new factor of the link between leaders and masses could become an important factor to improve the indicators of the Cuban economy.

[Lage] I think that we have come out of these elections stronger, more united. I am certain about the results of these elections. The united vote of the revolution is a resounding blow against our enemies. It is also a reason for revolutionaries to feel encouraged. It shows confidence in ourselves, revolutionary faith, optimism and confidence in the future. I think that this reinforces our unity, and there is nothing like unity for undergoing the difficulties we are undergoing. This is something that can be understood perfectly. What does a family that has problems do? What does a couple with a sick child do, if not unite to give that child the care it needs to endure that pain? What does a family do in the face of a tragedy or an illness? They unite to share the work, share the problems, endure that difficult time. What should we Cubans do at a time like the one we are experiencing? Behave like a family, the family of Cuban patriots, Cuban revolutionaries. I think that these elections have made our family stronger, and so we are in a better position to cope with the special period.

[Martinez] Well, we must let Carlos Lage go because he still has obligations to District No. 1 of Plaza de la Revolucion Municipality. He has a great distance to walk there, and perhaps he will not be walking alone, because I see that he will be accompanied by two Pioneers. So Carlos Lage, a Politburo member and the secretary of the Executive Committee of the Council of Ministers, can continue his work of this day, 24 February. We are happy to have had him here again on the Today program, on a special day, 24 February, which is also a day of victory.

[Lage] Well, thank you all very much.

Carlos Lage on Economy, Oil, Foreign Investments

PA2502230693 Havana Radio Havana Cuba in Spanish 0100 GMT 25 Feb 93

[Text] In an exclusive interview for Radio Havana Cuba, Carlos Lage, member of the Politburo of the Communist Party of Cuba, evaluated various aspects of the Cuban economic strategy.

Lage said the intensification of the U.S. economic blockade against Cuba and the disappearance of the Socialist bloc have made it necessary to redefine some economic priorities and postpone others. Nevertheless, he added, Cuban authorities have confidence in the chosen path and established guidelines.

[Begin Lage recording] We believe in 1993 we will begin to see growth, development, and progress in some fields. Those economic results, however, will not compensate the effects and losses we have suffered in other areas. [end recording]

Lage stressed great efforts are being made to promote the food program in Cuba.

[Begin Lage recording] Under limited conditions, practically without chemical products and fertilizers and with a fuel shortage, we have sought various alternatives such as increasing the number of manual workers, using animals, and using biological products to fight plagues. We have made extraordinary efforts, and we hope the results obtained in 1992 with some agricultural products, particularly foods and vegetables, will continue to grow in 1993.

We are working hard on tourism, trying to increase the number of tourists and the income derived from this

activity in the country. We have stopped the construction of schools, hospitals, and other social infrastructures—fortunately the country did a lot in those areas over the past 30 years—and now we are concentrating all our efforts in expanding hotel capacity and facilities. We are trying to boost our economy by developing tourism.

There are also large investment projects under way this year in the pharmaceutical and biotechnology industries, a field in which we have gained access to the international market during the past three years. Although this is not an easy battle, we have obtained the first results on a small scale during this period and hope to obtain further results in 1993 and the coming years. [end recording]

Cuba is also working under very difficult conditions to recover traditional exports such as sugar, nickel, and fishing.

[Begin Lage recording] We have had to adjust some economic activities that had their market in the socialist field. I can tell you that new markets have been found for most of them. Now we must work on recovering the levels we had in 1989 or even surpass those levels. [end recording]

Cuban economic policy is also open to foreign private capital investments. According to Lage, there are opportunities in all fields.

[Begin Lage recording] In general, tax benefits offered for investments are comparable to those offered worldwide and in many cases even under better conditions. This is a worldwide process, not a new experience in Cuba. There are many fields in which foreign capital investments have been made, particularly in tourism, where the process began, and now it has been extended to other economic areas. [end recording]

Lage also discussed oil production, its importance and possibilities. There is also interest in foreign capital investments in this sensible area.

[Begin Lage recording] For years we worked with the Soviets in oil exploration studies to find oil in Cuba, and even began to produce national oil. In general, this national oil is heavy crude with a high sulfur content. We have, however, introduced new technologies and modifications in the thermoelectrical plants so our industries, particularly the electricity and cement industries, can use that oil. Today we can say that as a result of the efforts made during the past years we can assimilate that oil. In other words, we can consume that oil, even though it is heavy crude with a high sulfur content.

This field has been given priority. We produced approximately 550,000 tons of oil in 1991 and almost 900,000 tons in 1992. I can tell you that we have accomplished this essentially with our own efforts, the investments we could make, organizational efforts, and efficiency.

This is also an area where we have created opportunities for private capital. This is one of the areas where there is more interest. In early February, international bids were opened in Calgary, Canada, and London for oil exploration in Cuba. On that occasion, Cuba gave all the information available on geological studies already made, many by well-known international firms, and explained the conditions for oil exploration in Cuba. As a rule, this is based on the principle of exploration at risk, which is an international practice. There are also tax facilities, such as the so-called [word indistinct] tax, which is the tax for the use, exploration, and extraction of minerals in general, which is a normal practice. Our country has also offered facilities in that field.

Some firms are already participating. We are generally very reserved in giving out information regarding the firms and conditions due to U.S. direct pressure to discourage negotiations for anyone interested in investing here. Nevertheless, there are firms already participating. We have opened bids and geological studies indicate that the soil conditions in our country, even in maritime areas, are similar to those other areas where oil has been found. This conclusion has been reached based on studies, but the decision is made after drilling. We have short-term plans to increase the efficiency in oil drilling from opened wells. This is a goal for the next two years. We hope to increase oil production by improving efficiency in oil extraction from the existing wells. There are also plans for the next four or five years, depending upon the presence of foreign companies here and the results, of increasing oil production, including light crude oil. [end recording]

Castro Meets With Residents, Reporters in El Cobre

FL2502025393 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Feb 93

[Report by Carlos Santana Ojeda on the "Exclusive" program]

[Excerpt] A truly impressive meeting, free of any type of formalities, was held this afternoon by Commander in Chief Fidel Castro with journalists and the people of El Cobre, 13 km outside Santiago de Cuba. This town's park turned out to be small for the thousands of El Cobre residents which had spontaneously gathered in the streets. The park hosted a seldom seen public news conference, in which Fidel and the people answered the journalists questions.

[Begin recording] [Unidentified reporter in English] I am from Germany and I would like to ask the people here how this Revolution, under the leadership of Commander Fidel Castro, will go on in the future despite the difficult conditions being confronted?

[Crowd shouts indistinct response]

[Castro] Any local individual who wants to speak? We are like in the times of Athens, but much better than in Athens because here we do not have slavery and in Athens they had slaves. Any citizen, any man or woman,

or young person who wants to come up here to answer this questions? Come here. Stand here so they can see you well. Stand here.

[Unidentified speaker] We will continue with Fidel, with the people, dignity, honor, the Revolution, and with this people which is willing to give their life for their Revolution and socialism. Fatherland or death, we will win! [applause] [end recording]

In this manner, in the midst of the noise and voices of El Cobre residents, from the mountains and homes, a firm "here we voted for all" was given. [passage omitted]

Castro Meets With Iranian Foreign Minister

FL2402172393 Havana Radio Rebelde Network in Spanish 1534 GMT 24 Feb 93

[Text] Commander in Chief Fidel Castro and Iranian Foreign Minister Dr. 'Ali Akbar Velayati exchanged views about the development of relations between Cuba and Iran and other subjects of interest. The Iranian foreign minister is on an official and friendly visit to our country. The meeting was held in a fraternal climate, and the intention of both sides to develop even further the existing relations between the two countries was expressed, with special emphasis on the economic, trade, scientific, and technical spheres.

Joint Venture Inaugurates Cellular Phone System

FL2602004793 Havana Cuba Vision Network in Spanish 2320 GMT 25 Feb 93

[Text] Cellular telephones are presently the world's most modern and fastest means of communication. On 25 February, Cuba joined the community of countries which use this technology.

A cellular telephone system was inaugurated in Cuba with a test of its three types of calls: international, among mobile cellular subscribers, and local. The first call was placed to the Cuban Embassy in Mexico and it fulfilled the expectations of the people present.

The cellular system is the most modern technology in the world. It uses portable wireless equipment for mobile and personal telephone communications. This system offers additional services such as data and fax, public telephone booths, and other forms of communication.

During the first phase, the joint Cuban-Mexican Cubacell Enterprise will serve tourist development areas, prioritized sectors of the economy, the diplomatic corps, and foreign and national companies. The earnings obtained by the Cuban side will be used to improve communications for the people.

Barbados

Finance Minister Recommends Structural Adjustment

FL2502155193 Bridgetown CANA in English 1516 GMT 25 Feb 93

[Text] Bridgetown, Barbados, Feb 25, CANA—A structural adjustment programme being considered by the Barbados Government will give priority to improving incentives for private investment in the export sectors, Minister of State for Finance David Thompson said Wednesday.

"The features of this are direct and indirect tax reform, trade reform, public enterprise reform, the reform of the labour market, an incomes policy based on some social compact, new initiatives for exports, international business, and tourism, as well as reform of the financial and agricultural sectors," Thompson told the Bridgetown Club, an organisation of city businessmen. The structural adjustment programme, for which the government is seeking funding from the World Bank and Inter-American Development Bank, will be introduced after the conclusion, in May, of an International Monetary Fund-supervised stabilization programme.

Thompson said the Sandiford government had not done "a particularly good job" of promoting its economic reforms which aim to achieve an efficient and lean public sector by forcing the government to live within its means, making the economy export- oriented, and giving the private sector the leading role in economic development.

"We have been buffeted by the difficult task of implementing policies which are not popular," the deputy finance minister said. "We have had some internal dissension which has been hacking away at the credibility of our policies and the treacherous process of managing reform has not been fully understood nor articulated at all levels."

Thompson told the business executives the issues of tax reform, trade reform, and a strong incomes policy should feature prominently in their business strategy for achieving competitiveness. On the issue of tax reform, Thompson lauded the direct taxation package which the government was able to produce "as the finest example, so far, of policies developed by the social partners working together." It was a package "most Barbadians can live with," he said. With regard to indirect taxation, he restated government's intention to replace the current "very complex" system of consumption taxes and stamp duties with a broad-based value-added tax [VAT] of "modest" rate on goods and services.

"The VAT will allow for tax exemption of all inputs for the export sector, including taxes paid on domestically supplied inputs.... The implementation of the VAT is expected to take 24 months," he said. Regarding trade, Thompson said in line with the decision of Caribbean Community (Caricom) governments to lower their Common External Tarriff [CET] to a range of five to 20 percent over the next four years, non-tarriff barriers here would eventually disappear. As non-tariff barriers are gradually phased out, temporary surcharges will be put in place, but these too will disappear by the time the CET reaches the targeted level, he reported.

"The implications are apparent—the issue is how do we cope and adapt within the next four years to this changing international trade environment," Thompson said. Thompson called on the social partners—labour, the private sector, and government—to work towards urgent agreement on a wages, prices, and employment programme between and across all sectors, in support of promoting competitiveness. "I cannot think that there is any matter that is as important to our economic survival and planning as this," he said.

Haiti

Opposition Leaders Attend Mass for Neptune Victims

FL2502185793 Port-au-Prince Radio Metropole in French 1500 GMT 25 Feb 93

[Text] A memorial mass in the memory of the victims of the Neptune shipwreck is being celebrated this morning at the Port-au-Prince cathedral. Rothchild Francois, Junior has a live report from the Cathedral:

[Francois] Good morning to you all. A symbolic religious service is being held this morning at the Cathedral of Port-au-Prince because the bodies are still at the General Hospital morgue. We are speaking of the victims of the wreck of the ferry Neptune. The mass is being celebrated by about thirty priests. The main celebrant, Bishop Willy Romelus, denounced what he calls the irresponsibility of the current authorities. He has called for the return of democracy in Haiti and of Father Jean-Bertrand Aristide. He asks for UN and OAS support. He also calls for unity within the Haitian people in order to overturn the current situation and reestablish democracy in Haiti.

Many people are attending this religious symbolic service at the Cathedral of Port-au-Prince. The members of the UN/OAS civilian mission in Haiti, some members of the diplomatic corps, and some political leaders of the opposition such as Victor Benoit, Rene Theodore, and Evans Paul are attending this mass. Outside, police cars are on the spot for this mass celebrated in the memory of the victims of the wreck of the Neptune. We will have more information for you later as the mass continues at the Cathedral of Port-au-Prince.

Demonstration Follows Mass

FL2502191093 Port-au-Prince Radio Metropole in French 1600 GMT 25 Feb 93

[Live report by Rothchild Francois from the Port-au-Prince Cathedral memorial mass for Neptune shipwreck victims]

[Text] [Francois] Good morning to you all. We are still at the Cathedral of Port-au-Prince for the religious service in memory of the victims of the shipwreck.

The service ended with an antigovernment demonstration during which the people attending the mass called for the return of ousted President Aristide to the country. It should be noted that all of that is happening under the eyes of the policemen who are present and also under the eyes of the UN/OAS civilian mission in Haiti.

One of the mission coordinators, Michael Muller, spoke on several occasions with the security policeman on duty here. The policeman denied rumors of arrests being spread in the Cathedral, saying that he was there to prevent unrest. There was no arrest during this demonstration.

Many people have left but many others are still around the Cathedral and continue to shout hostile words to the government, to the Haitian Army. They are demanding the return of Father Aristide. We also point out the rather political speech of Father Gerard Jean-Juste in the Cathedral, in which he asked that an ultimatum of a week should be given to the current authorities to allow the return of Aristide to Haiti. Although many people have departed, some are still inside the Cathedral and continue to demonstrate. We are keeping a close eye on the situation.

Injuries, Arrests Reported

FL2502214093 Port-au-Prince Radio Tropic FM in French 1830 GMT 25 Feb 93

[Text] According to the HAITIAN PRESS AGENCY, police violently dispersed a crowd that was in front of the Port-au-Prince Cathedral, following the mass in memory of the Neptune shipwreck victims. There were several people injured and many arrested.

At the same time, Jeremie Bishop Willy Romelus and several hundred believers have decided to stay inside the cathedral until the authorities release the bodies of 78 victims of the shipwreck. The priest disclosed at the end of the mass, in which he was the main celebrant, the numerous and futile requests made to the authorities to release the bodies for the funeral planned for this morning. According to the bishop, speaking to close to3,000 people, the delegation from Grand-Anse in charge of this request was informed by a superior directive that the bodies would no longer be released.

The ceremony was held in a symbolic manner with three empty coffins covered with the national flag.

Opposition Asks Mission To Cease Negotiations With Bazin

FL2502185393 Port-au-Prince Radio Metropole in French 1500 GMT 25 Feb 93

[Text] Several political opposition groups, including the National Front for Change and Democracy [FNCD], the National Agricultural and Industrial Party [PAIN], and the Movement for National Reconstruction [MRN], have signed a memorandum asking the OAS/UN civilian mission to cease all negotiations or relations with Prime Minister Marc Bazin. Pointing out the fact that Bazin was dismissed by parliament, those political parties and organizations recall that the international community had clearly stated that it would not negotiate with a government based on the September 1991 bid for power.

Salinas Letter to Mulroney Stresses Trade Ties

PA2502171493 Mexico City Canal 13 Television Network in Spanish 1300 GMT 25 Feb 93

["Text" of a letter from President Carlos Salinas de Gortari to Canadian Prime Minister Brian Mulroney sent from Mexico City on 24 February]

[Text] In view of your decision to step down, I wish to acknowledge the results of your efforts, which strengthened Canada's presence in international affairs and specifically stimulated the initiative, with the U.S. and Mexican Governments, to create the North American Free Trade Agreement among Mexico, the United States, and Canada.

The purpose of your work, which you accomplished, was to improve Canada's competitiveness. It was a forward looking task. Its accomplishment brings you well earned prestige as a Canadian leader during this historical, hopeful time.

Frankly, it was a very pleasant experience to meet you at our respective state functions. Let these words testify to the appreciation and respect the Mexican Government and people have for you.

[Signed] Carlos Salinas de Gortari, President of Mexico

* Succession Aspects of Bartlett Case Cited

93CA0063A Monterrey EL NORTE in Spanish 17 Jan 93 p 12 A

[Report by Cosme Haces]

[Text] Puebla—Puebla Manuel Bartlett, a former secretary of the interior and public education, a well-known member of the party leadership group in power for two terms, a candidate for the presidential nomination, and now governor-elect has been wounded by political scandal.

On a number of occasions EL NORTE attempted to speak with him, but the former secretary of the interior did not agree to an interview.

Rumors implicate him in the murder of journalist Manuel Buendia and DEA [Drug Enforcement Administration] agent Enrique Camarena, making it doubtful that he will take office on 1 February.

With his image clouded by the shadow of drug trafficking, the DEA's threat to bring him before a U.S. grand jury on a charge of drug trafficking and complicity in the torture and murder of DEA agent Camarena hangs over Bartlett.

If that should happen in the next few days, Bartlett could not take office, predict political observers and commentators here.

But even if he did take office as governor, the erosion of his moral authority and the contempt of the people of Puebla State for him would be so profound that the system would keep him in office for a year or a little more, but only to save face, and he would then be removed.

In government political circles the names of four possible interim governors are already making the rounds: Angel Aceves Saucedo, deputy, who was a candidate for the nomination in the PRI [Institutional Revolutionary Party] selection process; Senator German Sierra, who also ran for the nomination; Alfonso Zegbe Sanen, a PEMEX [Mexican Petroleum] official; and Guillermo Pacheco Pulido, now a federal deputy and a former gubernatorial candidate.

The people of Puebla State are stupefied by the controversy surrounding Bartlett: a man sent from the corridors of power by President Carlos Salinas; a man they did not know before, as he had never lived here; who still lives in Mexico City and is preparing to govern them while enmeshed in very high level political intrigues. "Many interests are at stake in this problem. It affects us as citizens of Puebla, and it is also an issue that goes beyond us," says Antonio Sanchez Diaz de Rivera, president of the Business Coordinating Council.

According to this business leader, at best the Bartlett problem has created unrest; he says they want things to be made very clear.

The "Black Book"

Bartlett's misadventures started in Puebla with the distribution of a "Black Book," which began to circulate widely among opinion leaders as soon as the name of the former secretary surfaced as a potential candidate.

This "book" is a thick compilation of press clippings in which Bartlett's name appears repeatedly in the context of journalist Manuel Buendia's murder.

One of his subordinates was cited as the brains behind the crime: Jose Antonio Zorrilla, head of the DFS [Federal Security Directorate].

Then the book lists reports in which Bartlett, as head of the Interior Secretariat, appears in a number of matters related to drug trafficking.

Combined with the book, the release of Los Angeles court transcripts linking Bartlett's name to the name of drug trafficker Rafael Caro Quintero, caused independent reporters to investigate.

One of them was reporter Zachary Margulis of THE NEWS, which is published in Mexico City by Romulo O'Farril's firm "Novedades."

O'Farril censored his story and it was not published. Margulis then contacted U.S. reporters and the Bartlett story got into the international press.

According to sources in Puebla, Bartlett asked Manuel Alonso, who was at that time Mexico's consul general in

New York, to stop the publication there, but they could not keep the story from appearing in NEWSWEEK and THE NEW YORK TIMES.

The final blow came in the publication PROCESO, which in its 4 January issue published the DEA's decision to bring charges against the former secretary of the interior, along with former Secretary of Defense Juan Arevalo Gardoqui, and Mexico's former Attorney General, Enrique Alvarez del Castillo, before a U.S. grand jury.

Gift from the Interior Ministry?

In a break with tradition, the "Black Book" was not disseminated by the opposition. A close colleague of Bartlett said the Interior Secretariat was responsible for compiling and distributing the document.

This account agrees with that of political scientist Manuel Diaz Cid, who has followed this case closely:

"The book was spread around here by people closely identified with the Interior Secretariat," he said.

In addition, close colleagues of Bartlett say that some Interior Secretariat agents turned over to the PAN [National Action Party] a cassette containing telephone conversations taped on election day.

On this tape a number of people can be heard, including Governor Mariano Pina Olaya, giving instructions about destroying ballots and documents, in a possible attempt to swing election results.

Francisco Fraile, state president of the PAN, confirms: "We did not tap the telephones. On election night a person came in and said: 'Here, take this,' and he gave us a cassette."

Diaz Cid believes that even then Secretary of the Interior Fernando Gutierrez Barrios leaked information against Bartlett to some Mexico City columnists, including Carlos Ramirez and Francisco Cardenas Cruz.

Everything for the Succession

Diaz Cid is the director of the Political Sciences School of the Popular Autonomous University of Puebla State and of the Motolonia Social Research Institute.

This is his hypothesis:

"Manuel Bartlett is supported by Miguel de la Madrid's group: this group is growing in importance and power throughout the republic to such a degree that it is no exaggeration to say that De la Madrid now has more political power than when he was president."

"This group has some very well known members, including Manuel Bartlett, new Secretary of the Interior Patrocinio Gonzalez Garrido, and Emilio Gamboa Patron, another man who could have a meteoric political career."

"Then Bartlett comes here, not just as a consolation prize after leaving the SEP [Secretariat of Public Education], but as a force in this group, which is trying to consolidate the structure of the new Mexican political system."

According to Diaz Cid, Bartlett might try to form a bloc of governors in the southeast, who could exercise special influence in the presidential succession.

"I believe that on the Mexican political chessboard, Bartlett is being moved around as a pawn to bring together forces for the Miguel de la Madrid-Carlos Salinas alliance, with an eye toward the presidential succession," he said.

"That was also perceived by some other groups that are interested in the succession, and they tried very energetically to block Bartlett's arrival," he added.

Diaz Cid predicts that Bartlett will take office.

In favor of this argument is the fact that the president himself presented him in the state as one of his people.

"For that reason, it would be very hard to turn back: the president has mobilized his secretary of foreign relations to apply pressure to the Los Angeles court. He has maneuvered to protect Bartlett, Arevalo, and Alvarez del Castillo," he explained.

He feels that Salinas interprets the charges against Bartlett not as against a specific person, but as against the entire Mexican political system.

The "White Book"

But Bartlett has a card up his sleeve that is his best defense: the threat of publishing what he knows.

If he wanted, he could unmask the political system and possibly break open the Buendia Case or reveal drug trafficking connections at top political levels.

"It would be a best seller," was Bartlett's comment, quoted by at least two different people, according to accounts obtained by EL NORTE.

This defense already has a name: the "White Book."

On 18 December, Bartlett went to France on vacation, returning on 4 January.

Before he left, he spoke with groups of businessmen, legislators, and union leaders, to respond to the accusations coming from the Los Angeles court.

He also spoke with Archbishop Rosendo Huesca.

The archbishop spoke about the case "with great prudence" in a pre-Christmas meeting with some close associates, to whom he described Bartlett as very angry and concerned, because he could not tell how far this defamation would go.

Bartlett promised Huesca that when he returned, he would tell him the source of what he called the lies against him.

And he uttered a warning: "If I publish what I know, it would be a best seller. But I could only do that at the end of this term."

From EL NORTE's investigation it was learned that the head of the "White Book" operation was Jesus Hernandez Torres. During Bartlett's term at the Interior Ministry, Hernandez Torres was director of radio, television, and cinema.

The objective was to block information from the "Black Book" and to clean up the gubernatorial candidate's image.

Hernandez Torres was coordinating both matters, and to do so he hired the McKenzey agency, considered one of the best in Mexico for image handling and strategic consulting, and also one of the most expensive.

To finance this costly operation, Aaron Dicter Poltolarec, former director of energy issues at SEMIP [Energy, Mines, and Parastate Industry Secretariat], set up a fundraising venture.

To create moral support, after several invitations and refusals, a group of well-known businessmen was recruited. This group is headed by Ricardo Menendez Haces, and these people were brought in by the municipal staff in Puebla and other election posts, under the slogan of "The Men for Change."

From this operation came the megaproject Puebla Plus, which is equivalent to a government program. But not the "White Book."

In July Bartlett himself halted the preparation of the book when his biographers had barely gotten to the time when he was named secretary of the interior.

Unfinished History

From the biographical part that was done, we learn that Bartlett happened to be born in Puebla in 1936, during the 1935 to 1937 period when his father was sent there as a district judge.

When he entered law school of the UNAM [National Autonomous University of Mexico], he met an older student, Miguel de la Madrid, with whom he made a commitment to meet for lunch every Tuesday in Sanborn's of Madero, a habit that they kept up for years.

Later his studies abroad and his first steps in politics were described, where he began to weave the web of connections that brought him to power.

In 1969 Bartlett was technical secretary of the Federal Election Commission for the 1970 presidential elections, backed by Carlos Salinas de Gortari and Sergio Garcia Ramirez.

Then came his support for Mario Moya Palencia as future president of Mexico, and his ostracism upon the victory of Jose Lopez Portillo.

Santiago Roel rescued him by appointing him ambassador, but Bartlett again had problems when Roel left the Foreign Ministry.

This time his savior was Miguel de la Madrid, then undersecretary of programming, who named him his political adviser.

The biography speaks of a pact made at this time among De la Madrid, Salinas, Ramon Aguirre, and Bartlett, to bring De la Madrid to the presidency.

Bartlett devoted his full efforts to this, and when De la Madrid was elected president, as his reward he was named interior secretary.

And here the story ends. The most important period is still buried in cardboard boxes.

On 8 December Bartlett tried to respond to the accusations made in the "Black Book" and by the Los Angeles court in a press conference and in private sessions with Puebla opinion leaders.

His statements gave the impression that Bartlett has marshalled weak arguments in his defense.

The situation is summed up by business leader Antonio Sanchez Diaz de Rivera:

"We want to continue talking with Mr. Bartlett to get more information about the explanations he gave us earlier."

Honduras

Military Agrees To Hand Over DIN to Civilian Control

PA2502220793 Tegucigalpa EL HERALDO in Spanish 24 Feb 93 p 45

[Article by Armando Villanueva]

[Text] The Armed Forces have finally agreed to turn over the Department of National Investigation (DIN) to civilian hands according to a decision by Division General Luis Alonso Discua Elvir, chief of the Honduran Armed Forces, and made known to President Rafael Leonardo Callejas.

Discua made the decision in the last few hours after consultations with the high command. This decision also includes the transfer of the Treasury Police to the central government so it can be turned over to the proper civilian authorities.

Both decisions—the first of a series of transformations that the Armed Forces will undergo—constitute a response to the criticisms which various political sectors have made against the military.

The World Bank itself accused the Callejas administration of not complying with a previous commitment to hand over the Treasury Police over to civilian control.

The majority of the criticisms are aimed at the DIN, which has seen its image deteriorate following serious accusations made by a former member of that institution against "mid-level commands."

A military source confirmed on 23 February that a "top-level commission" is investigating all "mid-level commands" in San Pedro Sula to "clear up" the charges made by former DIN member Jose Eli Zuniga Martinez.

The same source confirmed that Gen. Discua Elvir met with President Callejas in the last few hours to "recommend that the DIN be transferred gradually to the government institution considered appropriate by the Presidency."

This means the DIN could become a Judicial Technical Police in the hands of the Judicial Branch or become part of the Government and Justice Ministry as is the case in neighboring countries.

Likewise, it has been confirmed that the Treasury Police will also be turned over to the central government, probably to the General Customs Directorate.

The government institutions that will take over the DIN and the Treasury Police will be responsible for their training.

Various sectors in Honduras have joined a general protest against the method of operation of the country's secret police because they believe their methods of investigation are closer to repression and crime.

Mid-Level Commands To the Courts

Likewise, the "preventive" arrests of Captain Luis Mendieta, chief of the Homicide and Narcotics Office in San Pedro Sula, and Lieutenant Jose Mario Berrios were confirmed.

According to reports, both officers will be dishonorably discharged and turned over to the San Pedro Sula courts in case they are found responsible for the incidents denounced by Zuniga Martinez.

Meanwhile, other sources reported that the High Command convened a meeting of high-ranking officers at the Army Logistics Support Command (CALE) to ask them for their support for the decisions that have already been made.

Political and labor union sectors that were consulted on 23 February said the solution is to completely uproot the DIN because, according to them, it has a high degree of responsibility in the impunity that is hurting Honduran justice.

Report on Callejas 24 Feb News Conference

PA2602033693 Tegucigalpa Voz de Honduras Network in Spanish 1645 GMT 24 Feb 93

[Report by Francisco Valeriano Giron and Cristobal Salceda on impromptu news conference by President Rafael Leonardo Callejas with unidentified local reporters outside the Government House on 24 February—recorded]

[Text] [Callejas] Carlos Roberto Reina visited the National Electoral Tribunal at 1000 [1600 GMT] on 22 February until 1130. Afterward, the Christian Democratic Party had scheduled a news conference for 1300. I have decided there were enough news conferences for one day, so we will hold it on 1 March.

[Reporter] What were the topics discussed at the meeting with the CIP [Police Corps Instruction Center]?

[Callejas] The topics were [self-exiled Honduran journalist Eduardo] Coto and the TIEMPO newspaper in connection with the bomb hurled at [TIEMPO Director Yani] Rosenthal's home. Undoubtedly they are concerned about this, just as we are, because this is an act—we presume because Coto worked for TIEMPO—to try to stop the newspaper from publishing reports on national problems. Just as I told them, we do not have any additional information than what we have already given, which is what Coto and other sectors have told the Human Rights Defense Committee commissioner. This already is in the hands of the justice tribunals. We do not have any information on the [Eduardo] Pina van Tuyl murderers.

[Reporter] Will these charges be investigated, Mr. President?

[Callejas] Of course. All these reports have been presented to the justice tribunals.

[Reporter] Regarding the internal situation within the Honduran Armed Forces, about which you have been informed by the Armed Forces chief, what measures will be taken in the end?

[Callejas] I do not understand the question.

[Reporter] What decisions will be made regarding the questions raised about the Armed Forces, the charges levied that officers are involved in problematic situations?

[Callejas] To place all of those who have been charged with illegal activities in the hands of the justice tribunals. That is very clear.

[Reporter] [question indistinct]

[Callejas] That is something I do not have a reply to at this moment.

[Reporter] What are your comments on the many sectors exerting pressure to restructure the (?Armed Forces) and have the investigative police definitely been turned over to civilians?

[Callejas] I have no comments to make on this right now.

[Reporter] There is a proposal by General Discua Elvir for the president of the Republic to make a definite decision to allow the DIN [Department of National Investigation] and Treasury Police to be handled by the organization you decide on.

[Callejas] At this time I have no proposal to that effect.

[Reporter] Gen. Discua arrived some moments ago. Was any of this discussed?

[Callejas] He is meeting with CIP members. A meeting had been scheduled for 1100 at the headquarters and he decided to come here for the convenience of CIP members.

[Reporter] Mr. President, what is your impression of today's newspaper reports: one is an analysis on the Armed Forces and the other about the U.S. Army, which says that [presidential candidate] Oswaldo Ramos could prove to be a disaster for relations with the United States?

[Callejas] I do not know about the second report. I understand that the first one is a 1989 report. It is important to clarify the date because the impression I got when I saw the report was that these were current reports, but they turn out to be from 1989, when neither Gen. Discua nor I were in office.

[Reporter] The public is very interested in a decision regarding the Armed Forces, especially the police aspect. Have there been any talks yet with the top Armed Forces commanders to clear away the problems we have already mentioned?

[Callejas] Of course. Both the Armed Forces and the Presidency are very aware of the justified claim society has made for these questions to be clarified, plus others. Both Gen. Discua and I have acted accordingly, at our respective levels, and have decided that all reports be investigated and placed in the hands of the justice tribunals for these to make the pertinent investigations to clarify every type of crime in the country, especially those that allegedly involve members of the Armed Forces. Undoubtedly this is the wish of all society and we will do everything possible to clarify these situations.

[Reporter] Do you mean there should not be any delay in removing everything dirty from the Armed Forces?

[Callejas] And Honduran society as a whole, of which the Armed Forces are a part.

[Reporter] Do you think the people lose confidence in the Armed Forces when some officers are involved in criminal activities?

[Callejas] Of course. As soon as these things happen, the people begin to have doubts as to the honesty of these officers. Not the institution itself, because we must differentiate very clearly. Society must be assured that any Armed Forces members reported as involved in illegal activities will be turned over to the courts for the appropriate investigation. And this is what we are doing. The actions we have been taking are in the society's best interests.

[Reporter] Can you tell us what medium- or long-term measures are being taken?

[Callejas] In this particular instance, the measures include studying the reports on statements made by journalist Coto and those made by Josue Eli Zuniga. The Armed Forces members reported will be handed over to the court so the authorities can conduct the appropriate investigation.

[Reporter] Will the Armed Force be modernized?

[Callejas] The institution is dynamic and modernizes. Naturally, this will take time and opportunity. If your question is whether the DIN, the Treasury Police, and other armed groups will be restructured, I have nothing to say because there is not a specific policy on this matter.

[Reporter] What about Judge Martinez Suazo's remarks?

[Callejas] That is a matter for the Judicial Branch.

[Reporter] Do you not think this is the best opportunity to have a Judicial Police instead of an investigations police?

[Callejas] Everything that tends to improve the state institutions is positive. If with this proposed situation we

improve Honduran society, we will try to implement it. What I do not want to do is open a public information debate where you journalists would want more information than I have available at present. If I had more information on the government decisions, I would gladly share it with you in a specific conference because society is interested in this type of information. But we do not have this information at present. The Armed Forces and the government are bent on clarifying the problems that arose as a result of reports by DIN and journalist Eduardo Coto. We are all concerned over the San Pedro Sula events because we do not have information on their origins. So, I tell you frankly, I do not have any information on a number of items. When I receive it, I will gladly give it to you, as I have always done. It is pertinent, however, to establish as a principle that positive results come from situations like the current one. And we will make everything possible so, regardless of the reports on individuals, these events can strengthen society and improve the state institutions.

[Giron] President Callejas and Gen. Discua, the Armed Forces commander, are determined to turn over to the proper authorities all officers reportedly involved in illegal actions. My fellow reporter Cristobal Salceda has the conclusion of this news conference. Come in, Salceda.

[Salceda] The president also was asked if the Armed Forces commander submitted a written report or only a verbal report? Let us listen to President Callejas, who will also expand on some of the topics he already mentioned.

[Reporter] [Words indistinct] former agent Josue Eli Zuniga.

[Callejas] He already has it. He is under the protection of the human rights commissioner. We do it as responsibly as it befits the state.

[Reporter] Mr. President, doesn't this incident afford an opportunity for the government and different sectors to adopt a tough stance on the DIN?

[Callejas] I have just referred specifically to that topic. If I had a answer I gladly would have given it to you. I do not have one right now. I do not know what are the best options for the Armed Forces to choose in this respect. I would ask you to give us a little time to analyze the circumstances surrounding this whole matter. We do want to get to the bottom of this, which really has to do first with the murder of.... [pauses] the murder that provoked the incident involving newsman Coto, although we want all cases resolved, as well as the charges made by the former DIN agent.

[Reporter] This is just a temporary situation; this is not a campaign against the Armed forces, isn't it?

[Callejas] I did not say there was a campaign against the Armed Forces.

[Reporter] I asked that question because some sectors have said this is a campaign.

[Callejas] I did not say anything of the sort.

[Reporter] I am saying some sectors.

[Callejas] Since I do not know what those sectors are, and I did not say that, I cannot give you a specific answer to that question. I do not think you are waging a systematic campaign against any state institution. You are the ones who know about that.

[Reporter] What topics will you discuss this afternoon with your party bloc?

[Callejas] Matters dealing with the administration and legislation or laws that must be passed, and the government actions considering this is an election year. Because of that, we are going to discuss the impact this could have on the budget within limits that the economy can tolerate.

[Reporter] [Question indistinct]

[Callejas] I do not think so. I only know what he has said. Keep in mind the government submitted some aspects on the Armed Forces reforms which were not agreed on because constitutional amendments require a two-thirds vote, and we have not been able to reach that number.

[Reporter] Has Deputy Carlos Sosa Coello submitted these reforms for the consideration of the Committee on the Modernization of the State?

[Callejas] No, he has not.

[Reporter] Will he?

[Callejas] That would be fine. That is a broad forum where everyone is entitled to participate. We will be glad to receive any initiative from any sector in that respect.

[Reporter] Was the meeting with Guatemalan President Jorge Serrano and Salvadoran President Alfredo Cristiani very positive for the countries?

[Callejas] Very much so, because it entails a favorable dynamic leading toward the integration process. We made positive decisions for the Central American citizens, chiefly those from Guatemala, Honduras, and El Salvador, which are countries that seek to eliminate obstacles to the flow of people who are not engaging in commercial activities. We discussed eliminating departure documents to go from one country to another. We are trying to eliminate requiring entry documents. We talked of the flow of vehicles. The idea is to allow the flow of vehicles with a circulation card from these countries. We talked about the need to establish terms of reference. On Friday, 26 February, a meeting will be held in Costa Rica because we are talking about the competitiveness of energy rates. We agreed on a formula to establish the true levels of the competitiveness each country has with the same statistics and sources of information.

All these elements come to give vitality to Central American integration. In this respect, we established a schedule to meet each month for three hours in Guatemala, Honduras, or El Salvador.

Nicaragua

Lacayo, Pereira on Assembly, National Dialogue

PA2502202893 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 24 Feb 93

[Report by Claudia Siria]

[Text] Upon his return to Nicaragua, Presidency Minister Antonio Lacayo stated that the government and several political parties have been meeting since 3 February. He added that the board of the National Economic and Social Dialogue had promoted the meetings as a result of the situation at the National Assembly.

[Begin Lacayo recording] We have tried to help. We told the political parties that the National Assembly's problem has to be solved by the 92 deputies who were elected in the February 1990 elections. The National Assembly is formed by those 92 deputies and they must find a solution among themselves. The National Opposition Union's [UNO], center bloc and Sandinist deputies have to solve the problem.

We stated our position to a group of UNO politicians and deputies from the Nicaraguan Conservative Party, the Nicaraguan Democratic Movement, the National Action Party, and the Christian Democratic Union. I believe those were the deputies with whom we met on Thursday. We told them the government was more than willing to help solve their problem but that it was really their responsibility. Perhaps this week, they will propose concrete ways in which we can assist them. In an attempt to assist them as much as possible, we have held several meetings during the past months. [end recording]

Finance Minister Emilio Pereira, who is a National Economic and Social Dialogue board member, revealed the government's strategy to create the conditions that will allow for a national dialogue. He also talked about the government's plans to reach a decision on the dialogue's agenda.

[Begin Pereira recording] First, we have to establish an initial agreement on the basic issues to be included in the national dialogue's agenda. Second, we need to reestablish international credibility in Nicaragua so that foreign governments will maintain and even increase their support to us.

Our third goal is to promote greater opportunities for foreign investment. We need to promote economic growth and attack the country's main social problems during the time the administration has left until 1996. Not only do we want our administration to be a transition to Democracy, but we also want to lay a stronger foundation for economic development, regardless of the 1996 presidential elections results.

Complementary to the aforementioned goal, our fourth goal is to set the stage so that we can have progress and social peace from 1994 to 1996. [end recording]

Minister Pereira stated that the sectors have already agreed on four topics to be included in the National Economic and Social Dialogue's agenda.

[Begin Pereira recording] A change of attitude, the National Assembly problem, the Armed Forces law reform, and the property issue are the four topics that have been agreed upon. [end recording]

He announced that the talks between the government and the political parties will continue so that the National Economic and Social Dialogue can be initiated in mid-March.

Lacayo Comments on Costa Rica Trip; Appeals for Peace

PA2502215393 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 24 Feb 93

[Report by Vilma Estrada; passages within quotation marks are recorded]

[Text] Accompanied by his wife, Cristiana Chamorro, Presidency Minister Antonio Lacayo returned to the country from Costa Rica on the morning of 23 February, after giving a talk on the situation in Central America and Nicaragua to representatives of the Canadian Agency for Development.

[Lacayo] "They are greatly interested in assisting Nicaragua. They will meet government officials on 2 April during the meeting of the consultative group, which is to be held with all the countries that assist Nicaragua."

[Estrada] During his stay in Costa Rica, Lacayo discussed the topic of foreign investment in the country.

[Lacayo] "They feel Nicaragua has a great future ahead in the fields of tourism and investments in general. We talked about the interesting news that a Costa Rican brewery invested or purchased 30 percent of the Atonio brewery. This is the first Costa Rican investment in our country, and it shows Costa Rican capital is seeing opportunities for investment in Nicaragua. We are neighboring countries. They have been lucky to have lived in peace for so many years and have the sufficient resources to promote the development of Costa Rica and invest in other Central American countries."

[Estrada] When asked about the demonstration set for 28 February by some National Opposition Union parties, he said he hopes it is conducted within a spirit of democracy.

[Lacayo] "The truth is we have freedom of expression in Nicaragua and freedom of movement. We hope they, as

the responsible persons they must be, keep themselves within the bounds of a civic protest at all times and that their actions are compatible with a our democracy."

[Estrada] He also assessed the three years of the Chamorro government.

[Lacayo] "I feel that the most important thing about these three years has been the real possibility of living in peace with ourselves. We achieved peace, we achieved the disbandment of 21,000 members of the Nicaraguan Resistance, and we achieved a dramatic reduction in the Army forces from 80,000 to the current level of approximately 15,000. I feel this has been the chief achievement of the Chamorro government. Unfortunately, we are seeing irresponsible people undermining this achievement, which really belongs to the people of Nicaragua, not to Chamorro or the government.

"Along with that, I feel the fact that we began to turn the economy around has been very important. When the president took office three years ago, the Nicaraguan economy had taken a nose dive. Instead of growing, we were getting smaller each year in economic terms. Compounding that, we had galloping hyperinflation. To date, we have been able to eradicate the hyperinflation and stabilize our currency. We stopped the drop in production and in 1992 our production began to grow. We are now able to receive foreign investment, increase loans for production, and expect growth in our livestock and fishing production. We can even expect an increase in basic grain and other export products.

"In addition to achieving peace and putting the economy on the right track, Nicaragua has been able to maintain.... [pauses] The Chamorro government has preserved public freedoms. There is total respect for freedom of expression and total respect for the freedom of movement and participation. The state branches are independent for the first time in the history of our country. Regarding the rule of law...."

[Estrada] Lacayo also made an appeal to those who use violence as the only means to solve our problems.

[Lacayo] "In this respect and on behalf of the government, I appeal to those who believe we will resolve our problems by violence to reflect on the history of this country over the past 100 years. After going through the last episode in our history, which was the war between Sandinists and contras during the past decade, I think we should realize this sort of solution leads us nowhere. I invite Mr. (?Ibarra), as well as Deputy Castilla, and those who are offering violence as a solution, to please respect the Nicaraguan people, mothers, and youths who deserve a better future in our country."

UNO Issues Communique Backing Deputy Castilla

PA2502215293 Managua Radio Catolica in Spanish 1100 GMT 24 Feb 93

[Text] The National Opposition Unity [UNO] has issued the following statement:

The UNO National Assembly faction hereby states to the local and international communities its stand regarding the campaign that Violeta Chamorro's cogovernment has unleashed against UNO leaders, particularly Deputy Humberto Castilla.

Whereas: 1. The cogovernment is aware of its weakness and cannot defend its views in the eyes of the Nicaraguan government because it lacks the people's support.

2. At no time did the cogovernment condemn or enforce the law against rioting Sandinist National Liberation Front [FSLN] Deputies Damaso Vargas and Daniel Ortega, who participated in the incidents at the Olof Palme Convention Center and the Managua Mayor's Office. The perpetrators of those actions, which resulted in considerable damage and loss, and Deputy Luis Enrique Figueroa, who sold arms in the Fifth Region and who has been publicly reported several times, have gone unpunished.

3. Repression against honest UNO leaders has increased as the Nicaraguan people suffer corruption, unemployment, sickness, illiteracy, and hunger.

4. Failure to comply with the commitments made to the demobilized, who feel their lives and properties are in danger, is the main cause for the aggravation of armed actions.

5. The cogovernment, afraid of the coming 28 February civic demonstration, has intensified its repression to prevent the Nicaraguan people from expressing their repudiation.

Therefore: 1. UNO firmly and determinedly supports Deputy Castilla, an honest UNO representative to the National Assembly.

2. UNO holds Chamorro's cogovernment responsible for any physical or moral harm that Deputy Castilla, his family, or properties might suffer.

Alfredo Cesar Criticizes FPI, FSLN, General Ortega

PA2602040693 Managua Radio Catolica in Spanish 1100 GMT 25 Feb 93

[Text] Former National Assembly President Alfredo Cesar has described the so-called Leftist Punitive Forces [FPI] as Sandinist death squads. Cesar wondered: Why has the Sandinist National Liberation Front [FSLN], which claims to be a pacifist party, failed to condemn FPI threats?

Nicaragua is losing all possible foreign investments and this year's farm production is in jeopardy, Alfredo Cesar warned. Cesar added General Humberto Ortega causes terrible damage to the entire country everytime he speaks.

Business Leader Accuses Army of Supporting FPI

PA2502212193 Managua Radio Nicaragua Network in Spanish 1100 GMT 25 Feb 93

[Text] During a 24 February news conference, Ramiro Gurdian, president of the Higher Council of Private Enterprise, accused the Sandinist People's Army [EPS] of being an accomplice to the so- called Leftist Punitive Forces [FPI]. The FPI is an extreme leftist group which has issued death threats against known national politicians.

According to Gurdian's statements, the FPI moves about the northern part of Nicaragua, displaying war weapons, calling for news conferences, and issuing death threats. Gurdian stated that the EPS, which is a branch of the Sandinist Front, do nothing to stop them.

Gurdian voiced his concern and that of all producers over the fact that the FPI, an armed branch of the Sandinists, on 23 November 1992 murdered Dr. Arges Sequeira Mangas, president of National Federation of Owners of Confiscated Property.

Gurdian said that if he called for a news conference while armed, he would surely be arrested. He said that if the Army did not act against the FPI, it would show that the Army cooperates with the group of ultraleftist terrorists.

Argentina

Caputo, Di Tella Discuss Democracy in Haiti

PY2602022093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2108 GMT 25 Feb 93

[Text] Buenos Aires, 25 Feb (NA)—Argentine Deputy Dante Caputo, from the Radical Civic Union, and UN and OAS representative in Haiti, said in Buenos Aires during a meeting with Foreign Minister Guido di Tella that there are "very good possibilities" for the return of democracy in Haiti in four months.

Caputo, who has been foreign minister during the administration of Raul Alfonsin, this afternoon met for an hour with Di Tella in the Foreign Ministry to inform him "about the latest news" about the Haitian case.

Caputo stressed that on 21 February the first delegates of a civilian mission made up of two Argentines among other members, arrived in Haiti to monitor "the respect of human rights and the starting of a political dialogue."

For the first time, he said, "there are possibilities that an administration overthrown by a coup d'etat may return to power," adding that "an event of this kind would generate a powerful precedent for the American continent."

"The arrival of a mission in Haiti will help create conditions to restore democracy. This whole process should take four months because we are not willing to accept dilatory maneuvers," he said.

Caputo explained that the dissuasive force used by the United Nations and the Organization of American States "concerns the international community" so that overthrown President Jean Bertrand Aristide may return "as soon as possible" to his country.

He recalled that during the first 15 months of rule by Lieutenant Colonel Raoul Cedras "more than 3,000 deaths" occurred for political reasons, prompting sending "the first civilian mission with the purpose of building a base for the return of democracy."

Caputo, who thanked Di Tella for the support given to him by the Argentine Foreign Ministry "despite our discrepancies," considered that Haiti "could be a good excuse to let the world know that Argentina has a consistent foreign policy no matter what administration."

"Foreign policy should be a state policy and not that of an administration. I think that this rapprochement is a healthy signal for the country and for this reason, the opportunity of working together given to us by the Haiti situation cannot be rejected," Caputo said.

In turn, Di Tella said that the Haiti problem "passed from being a problem of the American continent to a problem of the world" for which he announced the Argentine Government's support for the efforts being done by Caputo in that Caribbean country.

Di Tella pointed out three basic aspects: sending a civilian mission to ensure the respect for human rights, cooperation in institutional modernization issues (Armed Forces, police, and justice), and the economic recovery of the island.

"Being together with Caputo is a political fact that pleases us. I think that as of 1983 Argentina began reducing its differences to the point that it is very important to now think about the next constitutional government," Di Tella said.

Bolivia

Editorial Sees Change With New U.S. Administration

PY2502130493 Cochabamba LOS TIEMPOS in Spanish 13 Feb 93 p A4

[Editorial: "Cutback in U.S. Aid"]

[Text] As has been anticipated, the new U.S. Administration is determined to reduce government expenditure, considering this the most appropriate way to pump/prime the U.S. economy and thereby lift it out of a recession that has become increasingly burdensome for the industrial superpower.

The draconian measures include cutbacks in defense, foreign aid, civil servants, social security, and other belt-tightening measures which are part of a comprehensive program aimed at balancing the budget, checking wasteful expenditures, protecting U.S. industry and agricultural production, limiting imports by raising tariffs, and reducing unemployment.

Such a program necessarily entails the implementation of corrective measures that might adversely affect other countries. It goes without saying that there is now considerable concern among members of the EEC and some Asian countries such as Japan, Taiwan, and Korea which are beginning to feel the pinch, and are preparing themselves to take steps that might result in a trade war.

Unlike the previous administration, the present government will not lay as much stress on its fight against drug trafficking. It will probably adopt a new stance on this issue in trying to persuade, guide, and urge U.S. citizens not to let themselves be dragged into drug addiction, considering its grave consequences for for their health and that it causes great economic damage to the country as a whole.

With regard to the economic aid the United States extends to Bolivia, let us give the United States its due in noting that this has been, and is, quite significant. But it stands to reason that such aid cannot be extended indefinitely. We Bolivians must learn to solve our own problems without depending on others, as we stand a very good chance of achieving our purpose. Even though

we have laid great emphasis on greater economic aid for drug interdiction, this has benefited Americans far more than our own country. We cannot forget that the so-called "coca economy" has resulted from an increase in consumer market demand, and that this market is manipulated by criminal organizations of great economic power. Military assistance is part of the common defense doctrine supported by the United States, while financial aid to our budget represents a sort of compensation for the high level of expenses and the great sacrifice resulting from drug enforcement efforts.

Considering current circumstances and future possibilities, it would be suitable for Bolivians change their attitude and put less emphasis on foreign aid programs. It is more important to seek greater investment to promote national development and thus prevent dependence on foreign aid. We must awaken our creativity, and stimulate our labor force to create enterprises that may really become instruments of national liberation. We can still count on the Bolivian Government's negotiations skills, and the Bolivian people's labor force, to complement foreign investment and the new technologies in allowing us to fulfill the tasks required to ensure Bolivia's economic and social growth, which must be subject to a well-defined and better planned development strategy.

Coca Growers Minimize Cutback in U.S. Antidrug Cooperation

PY2602003193 Santa Cruz EL MUNDO in Spanish 13 Feb 93 National Section p 1

[Excerpt] Cochabamba, 12 Feb (EL MUNDO)—Coca growers from the Cochabamba Department tropical area have downplayed the importance of the $30-million cutback in U.S. cooperation for our country, stressing that these funds "never benefited the peasants and just served to create more economic dependence." The coca growers added: "These funds served to increase submission through the excuse of drug enforcement."

While some dignitaries and congressmen protested over the reduction of funds, warning that "they would not permit it," Evo Morales, the executive secretary of the Special Federation of Peasant Workers of the Tropics, described as "blackmail" the U.S. Government policy. Morales stressed: "We peasants do not need those funds nor are we subjected to those funds. If we review the past, substantial funds for the implementation of projects were collected at the livestock and agricultural custom posts established in the tropical area."

"Rather than cutting funds, the North Americans should remove their DEA and military personnel," challenged Evo Morales, pointing out that the repression, interdiction, and so-called alternative development policy "merely subjected the peasants to acute impoverishment." The coca growers leader emphasized: "Alternative development is just a farce to justify the diversion of economic resources because it does not exist. It involves several million dollars, and we have no idea where they go. They are certainly not invested in projects."

Evo Morales mentioned that a few projects, involving road and sanitation infrastructure and the establishment of some industrial and livestock and agricultural centers, were implemented with funds from the United Nations and European countries, not from the United States, whose contributions apparently are allocated exclusively for the interdiction of drug trafficking, replacement of coca crops, and the balance of payments. [passage omitted]

Commentator Urges Clinton To Change Existing Coca Policy

PY2602021893 La Paz PRESENCIA in Spanish 14 Feb 93 p 2

[Article by Luis Antezana Ergueta, former president of the National Agrarian Reform Council: "Bolivian Coca Defeats the United States]

[Text] "The United States has lost the war against cocaine in Bolivia" Peter Jennings said bluntly during a U.S. television program on 29 December 1992. Jennings also asked Clinton "to admit the defeat." This evaluation created a wave of denials, both in Bolivia and in the United States. But the truth prevailed: In reality the United States has lost the war against cocaine and coca in Bolivia.

Two facts have confirmed this failure. First, there are plans to change the agreements between Bolivia and the United States and that it will be up to the next government to change "the strategy of the struggle against drug trafficking." This is what the under secretary of social defense told the press. Second, the United States has reduced its economic aid to Bolivia; therefore, in 1993 Bolivia will get $26 million less than in 1992 as support for the balance of payments. And U.S. military aid will also be reduced. The overall aid will be reduced in more than $30 million. In all cases the reason for the "cut" is the failure of the struggle against coca.

The U.S. officials are stubborn. They were well aware that the method used in the struggle against coca and cocaine was going to lead to a shameful defeat. But the warnings did nothing. They went ahead and fell into an abyss and they only realized their mistakes after reaching the bottom of it. It should be pointed out that for 10 years the U.S. administration has been spending in Bolivia about $100 million a year, that is, $1 billion in a decade. This spending did not produce any significant results. It was like throwing water on sand.

The program for eradicating coca in Bolivia ended in a total failure. The same thing happened with the so-called "alternative development" project which became the laughingstock of peasants, and a neverending source of funds for travel, tourism, buying vehicles, and other wasteful spending. However, different U.S. ambassadors

continued to praise their "campaigns" which after some time disappeared like smoke in a breeze.

President Clinton could do something really positive by admitting the U.S. defeat in the struggle against coca in the last 10 years, or recognizing that his country lost about $1 billion in Bolivia and that a new start must now be made.

But what Clinton must admit is that the method must be changed. In fact, what should be attacked are the causes and not the effects. In other words, don't rush to disperse the last traces of smoke but instead attack the site of the fire—that is contrary to what has been done so far. Furthermore, the new "strategy in the war against coca and cocaine" must be the opposite of the old policy, that is, it should deal more with the causes rather than the effects. It is known that there is no effect without a cause and even an average school child can understand that principle.

The struggle against drug production in Bolivia is obviously a failure. The proof cannot be refuted: The $1 billion spent to keep exhibitionist officials did not serve any purpose. At any rate, it is hoped that new agreements will not lead to a new shameful defeat. God save Clinton!

Brazil

Government Position on Constitutional Amendments Viewed

PY2502214293 Rio de Janeiro O GLOBO in Portuguese 23 Feb 93 p 4

[Article by Helena Chagas]

[Text] Brasilia—Encouraged by a level of popularity estimated by polling agencies at between 70 and 80 percent, the Itamar Franco administration considers it will probably have enough weight in the constitution amendment debates this year and has thus already began internal discussions on the positions it will defend in the mini-constituent assembly. Contrary to what liberals believe, proposals like opening to foreign capital and even breaking the monopolies on oil and telecommunications are admitted in Planalto Palace and mentioned as subjects of revision by officials like Finance Minister Paulo Haddad and by Deputy Roberto Freire, the government leader in the lower house. At the same time, President Itamar Franco will work to totally reform the financial system and to make the Central Bank autonomous.

In a message sent to Congress last week, Itamar said he plans to revise federalism and the method used to share budgets and expenses of public services among the states and municipalities. The intention is to review the jurisdiction and obligations of different government agencies.

Deputy Roberto Freire believes that the need for some reforms, like the opening to foreign capital and the review of the role of the state, are the object of consensus to the point that they will not cause a controversy. He says that the big fight within the amendment debates will be on the issue of social vindications.

He said: "The world has changed since 1988. In a world where there is economic integration, the concept of foreign capital, for example, must change. Nearly everyone agrees with this. I think that the basic issue that will divide left and right is the social issue."

One of the first signals that the government will not be able to use, even if it wants to, nationalistic slogans or boycott the economic opening during the debates was explained a few days ago by Minister Paulo Haddad in the United States. The revision of the Constitution was one of the signals given by Haddad during the talks with U.S. and IMF officials to attempt to obtain more trust in the Brazilian economic policy. On that occasion, the minister admitted that the government is willing to discuss issues like breaking monopolies and opening to foreign capital.

In his quest to influence the constitutional revision, President Itamar will have an important advantage: the know-how of Civilian Household Minister Henrique Hargreaves. As a former congressional adviser to former President Jose Sarney and former adviser to the PFL [Liberal Front Party] leadership during the 1988 National Constituent Assembly, Hargreaves played a key role in the scheme that gave the Centrao [Big Center Bloc in Congress] important triumphs and guaranteed a five-year presidential term for Sarney.

"Hargreaves is a good organizer. He helped me a lot," states Deputy Jose Lourenco (PDS-Ba) [Social Democratic Party - Bahia] who at the time was PFL leader in the National Constituent Assembly.

Lourenco, by the way, will not accompany Hargreaves this time because he is in the opposition against Itamar. Everyone remembers, nevertheless, the performance of the Lourenco-Hargreaves team five or six years ago. Deputy Mendes Thame (PSDB-SP) [Brazilian Social Democracy Party - Sao Paulo], who is now mayor of Piracicaba, has sour memories of the period in which, as member of the PFL bloc, Lourenco disobeyed the party and government leadership.

"In reprisal, Jose Lourenco removed me from the systematization committee and my amendment proposals. It was in those days that I realized that I was not a liberal," states Thames, who is currently a happy PSDB member.

There are, however, disagreements on the Hargreaves style. He did not show up much, was a specialist in regulations, and was skilled at emptying a session or at turning a matter upside down to avoid unwanted votes. Yet he also engaged in a discreet close-range fight. He seemed to be aware of everything about each deputy and

made assenting gestures to the requests of deputies and senators when a federal government decision was needed.

During the time of the Constituent Assembly, Hargreaves' computer at Planalto Palace became famous. There were rumors that in his computer Hargreaves kept each congressman's resume, a list of federal government officials backed by each congressman, their requests for funds for states and municipal districts, and their willingness to support Planalto Palace initiatives. Liberals who indirectly benefited from Hargreaves' actions in 1988 fear that the computer might still be operating. This time, however, the computer would benefit their adversaries.

Government To Submit Antitrust Bill to Congress

PY2602021193 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Feb 93 section 1 p 5

[Text] Roberto Freire, government leader in the Chamber of Deputies, said yesterday in Recife that after carnival, President Itamar Franco will send to Congress a bill for a new antitrust law. A draft bill is already in the hands of the president, who has been studying it during the holidays. Finance Minister Paulo Haddad told FOLHA DE SAO PAULO that the idea is to create harsh measures against the so-called "abuse of the economic power."

The new law and the reduction of the customs fees on basic import products are the meager government weapons to try to curb inflation until the new stabilization program is implemented.

The bill advocates the creation of an agency for the defense of free competition similar to the agencies in the United States and Germany. The bill also gives broad investigatory powers to the Cade (Administrative Council for Economic Defense), reduces to 30 days the deadline for investigating irregularities, and foresees sanctions even during the administrative phase of the process.

The government concluded that the current legislation was ineffective for facing the pharmaceutical industry when it readjusted prices in 1992 above the inflation rate. Haddad said: "When we implemented the current legal regulations against the pharmaceutical industry we found out that it was a very fragile action."

The minister explained that the agency for the defense of free competition would implement fines and gradual sanctions in accordance with the "seriousness of the violation." About two months ago President Itamar Franco assigned lawyer Alexandre Dupeyrat de Paula Machado as a special presidential advisor and gave him the task of drawing up more effective legislation against economic abuse.

Dupeyrat, who was appointed consultant general of the union last week, will leave for the United States in the next few days to study the U.S. legislation on this issue. The government wants to use that system as an example. Before it is sent to Congress the bill must be submitted to the National Legal Advisors Office for study.

Commentary on Franco's Thoughts on Economic Order

PY2602020993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Feb 93 p 3

[Unattributed commentary: "The Veil is Beginning To Drop"]

[Text] President Itamar Franco has been stressing the image of a country divided by the misery in which millions of Brazilians live, a situation which may not allow for a united Brazil by 1994.

If one only knew President Itamar's ideological leanings, one could suspect that he is allegedly blaming the structure of the prevailing socioeconomic system for the shortcomings causing such a deep crack. In this regard, however, President Itamar bearly hints at what he thinks. This hint in itself, however, is an indication of what his excellency thinks. In Recife the chief of state once again mentioned the misery in which large sectors of the population live. He was, however, explicit, and what could be deduced from his hints may now gain body and point in a certain direction: The greedy, buccaneer elites who are in charge of colonial settlements are responsible for the misery, for the country's division, and for the threat to the "political sovereignty," as he stated in the introduction of his message to Congress.

If the buccaneer mentioned in Belo Horizonte is regarded as rhetoric, linking words and situations in which they are mentioned leads one to fear, as we said at the end of our previous commentary, for the current socio-economic order.

In the introduction of his message to Congress we point out the chief of state's viewpoint about time: His term in office will be too short to reverse the misery that exists in the country, however, he still believes that Congress, when reviewing the constitution, will adopt strong legal measures which the people desire to reverse this unfair social situation. Last Monday, 22 February, in Recife he once again referred to the subjects of misery and time. However, for the first time he mentioned the ultimate objectives of his government's policy.

During a brief meeting with the media before leaving Pernambuco, Franco stated clearly: Although he has little time, only two years of a "difficult" and "transition" government, he hopes to be able to change the country's economic order, which he considers unfair. A new appeal was addressed to the elites: They must bear in mind the fact that there are 35 million Brazilians living in complete misery and that "Brazil needs to reach 1994 more united."

These comments lead us to extremely worrisome conclusions—unless we have a chief of state who likes to repeat, because he thinks they are well written, phrases learned in the nationalist leftist school of the fifties. The first one refers, for some weeks now, to the subject time: What "transition" is President Itamar Franco referring to? Between what? When President Collor de Melo was removed from Planalto Palace by the Chamber of Deputies, President Itamar could have well said that his government was an "interim" government, although it was a fact that the Senate would condemn Collor. Itamar Franco more than anyone else was aware of this fact, so much so that the first thing he did was order a deep-rooted administrative reform. After taking the oath of office as president of the republic, what transition is your excellency presiding over? Are you probably talking about the transition between the constitution currently in force and the one that will be approved in October? To assert this would mean regarding the nation's juridical awareness highly. Therefore, it is understood that the chief of state is presiding over a transition toward a regime in which the political and economic order will be different from the current one.

The second issue to be raised is simple and, therefore, very delicate: Does the president hope to be able to change the country's economic order in only two years? How? In what way? With the support of what forces? Is his excellency aware of the fact that there are two senators convinced that capitalism, such as it is stated (sometimes erroneously) in the Constitution will be altered as of October? Or will he be bold enough to resort to provisional measures to define what arbitrary increases of profits represent, as is established in the 1988 constitution? Or will he resort to draft bills—in the belief that he will have the approval of a Congress free of consistent liberal opponents—to punish the abuses of the economic power, discriminated since (Getulio) Vargas' dictatorship, for all governments, even though the social crisis and a persistent inflation were taking shape?

In two years the chief of state, despite the short time, intends to change the unfair economic order. We wonder once again: With the support of what anti-enterpreneur forces is his excellency going to take this fatal step?

* Erundina, Crusius Cabinet Selections Seen

93SM0125B Sao Paulo VEJA in Portuguese 27 Jan 93 pp 26-28

[Article: "The Government's Skirts"]

[Text] *In an operation aimed at bringing women and the PT [Workers Party] into the administration, Itamar has chosen Erundina and Yeda Crusius.*

Last Friday the former mayor of Sao Paulo, Luiza Erundina, went to inform the PT's bosses that she had accepted President Itamar Franco's invitation to be minister-chief of the Secretariat of Administration. President Luis Inacio Lula da Silva, Senator Eduardo Suplicy, and Deputies Jose Dirceu and Eduardo Jorge expressed the opinion that the PT had placed itself firmly in the opposition and that the party's unlikely approval of her decision would require debate by the entire national executive board, which could not meet for at least two weeks. Erundina, who was at the headquarters of the so-called parallel government in Sao Paulo at the time, decided to call Itamar Franco on the telephone to find out if the president agreed:

"I would like to ask you for time to submit my appointment to the party."

Itamar answered flatly:

"That will not be possible. You are completely free to back out, but the invitation was not issued to the party, so I cannot wait."

"Then will you give me a little time now?"

Itamar replied: "How much time?"

"Ten minutes."

And shortly after that, Erundina called the president back and confirmed that she was in fact joining the administration. During those few minutes, she had explained her final decision to the PT's leaders. "I feel that we have a responsibility in this administration because we helped bring about the impeachment," the former mayor said. "I learned as mayor that in order to change things and bring about the reforms we want, it is necessary to be in the administration, and that is why I accepted the invitation." At that moment, Luiza Erundina, 58, had just taken the boldest step in her political career. She was going against the will of the PT's top boss and disobeying two previous decisions by the party vetoing participation in Itamar's cabinet by its members.

In the PT's 13-year history, she, acting on her own responsibility, is the first card-carrying PT member (Minister of Labor Walter Barelli is a typical example of a fellow traveler) to be entitled to the honors reserved for a minister of state. Erundina had been facing the threat of spending the next two years forgotten in the Sao Paulo neighborhood of Perdizes, where she has set up an office to formulate her political plans with a view to the elections in 1994, but now she will be the focus of political spotlights of Brasilia. She began her term as mayor of Sao Paulo with the reputation of being communism's wild beast, but left the post causing more jealousy in the PT than enmity in the FIESP [Sao Paulo State Federation of Industries]. Her administration was not able to guarantee the election of a successor in November, but even her opponents admit that she is above average. Her popularity was on the rise at the end of her administration, and when she yielded control of the third largest budget in the country she was the PT's second brightest star, being outshone only by Luis Inacio Lula da Silva, the party's top leader, himself.

"Born communicator": Erundina's appointment was an important point with Itamar Franco. The president, who started the week by announcing his willingness to have a

woman in his cabinet, managed to pull off a good deal. He wanted one but got two, and it did not even cost him much. For the post of secretary of planning, he called on economist Yeda Crusius, who lives in Porto Alegre. Yeda has no experience in public administration and is as fickle a member of the PSDB [Brazilian Social Democracy Party] as Minister Paulo Haddad, who as minister of finance has been crowned the number one man in the economic area. Her resume is based on excellent schools such as Vanderbilt University in Tennessee, which was also attended by the former president of the Central Bank, Ibrahim Eris, and in Rio Grande do Sul she has became a personality better known for making televised commentaries on the economy than for any particular brilliance in her academic career. Now 48 years old ("I know I do not look it"), well preserved, elegant, a good speaker ("I am a born communicator"), and with many admirers in Rio Grande do Sul ("I like that"), Professor Yeda headed the School of Economics at the Federal University of Rio Grande do Sul until last December.

She banned beer in the bars at the student union and earned a hard-line reputation among students. Her favorite book is *A Formacao Economica da America Latina (The Economic Formation of Latin America)* by Celso Furtado, from which she draws ideas for defending the theory that the economy is a child. "It needs freedom and also limits," she says. She therefore comes across as an ally of Haddad, who was her fellow postgraduate student at Sao Paulo University, as were other stars in the economic firmament such as Joao Sayad, Luiz Paulo Rosemberg, and Adroaldo Moura da Silva. Yeda studied the privatization model in Hungary last year and pronounced it good. "The one who buys a firm commits himself to production goals and investment goals for a period of 10 years," she explains. Brought into the administration on the recommendation of Senator Pedro Simon, she will leave behind in Porto Alegre her husband Carlos Augusto Crusius, also an economist, and her children Tarsila, 21, and Cezar Augusto, 22. Few people outside the Federal University of Rio Grande do Sul are very familiar with Yeda Crusius' ideas. Even Itamar is going to take an intensive course: for the purpose of getting to know the new minister better, the president last week ordered video tapes with an anthology of her interviews and commentaries on TV.

By picking Erundina for the Secretariat of Administration, the president made a significant acquisition for a government which wants to present itself as a condominium, to use the president's own words, but which had "an excessively conservative face," in the words of a direct associate. "We achieved that reinforcement through a ministry that does not build bridges or roads. And it was cheap." The former mayor was given the worst portfolio available—the one which was supposed to be an appendage of the Secretariat of Planning and which gained its first-rank status only by the generosity of Congress. In Brasilia, Erundina's daily activity will consist of announcing pay increases for government employees and quarreling with such former friends as Deputy Maria Laura of the Brasilia PT, who once even organized a camp-out at the office of the Ministry of Finance in support of fatter pay increases for civil service workers. Details like that make the choice of Erundina a victory for Planalto Palace, but it does not come with the additional advantages Itamar would have liked. The invitation was not extended for the purpose of pitting PT members against each other. Itamar wanted the PT to follow along in Erundina's wake. That did not happen, and he is now in danger of growing even more distant from Lula than he was before he issued the invitation.

"Erundina's entry into the administration will complicate the PT's relations with the Itamar administration," says Deputy Chico Vigilante of the Federal District. When Itamar met with the party presidents two weeks ago, Lula asked him not to cause embarrassment by inviting one of the PT's stars to join the administration. On Friday afternoon, Lula was complaining of the offer made to Erundina. "It showed disregard for me and for the party," he complained. The filling of a post that had been vacant since he took over as acting president (the Secretariat of Administration) and of another one that had become vacant with the resignation of Gustavo Krause caused Itamar's quirks in choosing his advisers to surface.

"Will your friend accept?": On Monday, after weeks of being advised by government leaders Pedro Simon in the Senate and Roberto Freire in the Chamber of Deputies to brighten his cabinet with a feminine presence, Itamar sent up two trial balloons. "How do you feel about having a woman in the Secretariat of Planning?" he asked at a meeting with Henrique Hargreaves, Ministers Paulo Haddad (Finance) and Mauro Duarte (General Secretariat of the Presidency), General Adviser Jose de Castro, and Senator Simon. No one felt much of anything, and they wanted to know if the president had anyone in mind. Feeling them out, Itamar asked their opinion of Yeda Crusius, an old recommendation by Paulo Haddad, who had known her when they were both at the university. Since the candidate lives in Rio Grande do Sul, the president consulted Simon. All he heard was praise. In another conversation the following day, the senator was instructed to issue the invitation.

Meeting with a smaller group that same Monday, Itamar discussed the other vacancy to be filled by a woman. "What do you think of Erundina?" the president wanted to know, and in response he heard a shower of praise. On the following day he confidently approached an old common friend, social worker Denise Paiva—a special adviser to the Presidency, a former official on Erundina's staff when the latter was mayor of Sao Paulo, and, before that, a member of Itamar's staff when he was mayor of Juiz de Fora and a senator. "Do you think this friend of yours will accept?" the president asked Denise on Tuesday, and he instructed her to ask Erundina directly. "You know that if I issue the invitation she will not be able to decline," Itamar explained to his adviser.

Two days later, following another conversation with Itamar, Denise telephoned the former mayor. Her conclusion: "She is on the point of accepting."

On Thursday evening, it was Mauro Duarte's turn to press the attack. The minister warned: "Mayor, if the president talks to you, he will expect you to say yes." Erundina answered: "I will sleep on it." Before reflecting on it as promised, the former mayor visited Deputy Eduardo Jorge in Sao Paulo. She told him about the telephone call and was advised to wait for a decision by the party. In a telephone call to Suplicy, the former mayor was given the same advice, and she arranged a luncheon date for the following day. There was a lot to talk about, even though the invitation had not been issued. The mere rumor that Erundina would be chosen for the Ministry of Regional Integration had already caused Lula to say in front of Pedro Simon on Tuesday that the PT would veto participation in the administration. That led Minister Alexandre Costa to telephone Itamar the very next morning and volunteer to be fired in any manner as long as it was not through the newspapers. Persuaded by Simon and Erundina that nothing had happened, Lula also began affirming that the invitation did not exist.

"Green light": To calm Alexandre Costa, Itamar said at lunchtime on Wednesday that he had not issued an invitation to Erundina. In other words, that he had not yet completed what he had started to do the day before. In the middle of the afternoon, he summoned Simon, Hargreaves, Jose de Castro, and Mauro Duarte to tell them he had decided to issue the invitation. Simon warned: "It will cause turmoil in the PT." The senator was making an easy prediction. The entire PT was surprised both by the invitation and by Erundina's decision. For example, Deputy Jose Genoino heard the news in the studies of Gazeta TV during a live debate. He choked, and the only thing he could think of to say was that personally, he opposed it. Vladimir Palmeira, the PT leader in the Chamber of Deputies, saw the news on television and spent Friday afternoon trying to reach Erundina by telephone. The fact is that after "sleeping on it," the former mayor heeded her own advice more than that of the PT's advisers.

Although she had already scheduled a meeting with Lula to discuss the call from Itamar, she announced her willingness to accept the post at 1100 on Friday during a telephone call to Denise Paiva. The president, who was meeting with a few ministers, received a written message from the adviser: "Green light," she had written in the note. Itamar had a telephone call put through to Erundina and got right to the point. He said: "Mrs. Mayor, may I call you Minister?" "We shall see," came the evasive answer. "No we will not," the president replied. "I want you here tomorrow." Then came the exchange of flatteries that are normal on such occasions and the statement by the president that would trigger embarrassment among the PT's leaders: "I will announce the news." At the meeting held at the headquarters of the parallel government, there were two periods of negotiation. During the first—and fruitless—period, an attempt was made to persuade the former mayor to back out. During the second—and arduous—one, a formula was sought for reconciling Erundina's decision with the opposition role that the PT wants to play.

It was agreed that they would allow Erundina to remain in the PT's ranks until 6 February, when there would be a meeting by the party's national executive board. As a member, the former mayor would have to obey the order to resign from Itamar's administration. At that meeting by the executive board, any interested person will be entitled to propose debate again and save Erundina from punishment. "I am going to defend the PT's participation in the administration," said Senator Eduardo Suplicy. If the PT does not accept the former mayor's situation, she will have three alternatives: leave the party, be expelled, or resign from the government. "Resignation is the only thing that would be advantageous for everyone," says one of the PT congressmen in favor of keeping the PT out of the government. "There would not be the trauma of a split in the party or a retreat from a previous decision."

* Debate Over April Plebiscite Options Continues

93SM0165A Sao Paulo VEJA in Portuguese 10 Feb 93 pp 22-25

[Commentary: "Hoax of the Year" by Roberto Pompeu de Toledo]

[Text] Brazilians are being invited to take part in a hoax—the choice between the presidential and parliamentary systems of government. Whom do our readers prefer: Flavio Mauricio Ramos, or Carlos Alberto de Nobrega? The most sensible answer would be "neither," since they do not know either of them, and especially since they never concerned themselves about them. This is one part of the problem, since only a chosen few are being introduced to these gentlemen known as "presidentialism" and "parliamentarism," and concerning themselves about them is an ordeal no electorate should ever be subjected to. But that is not all. The worst is that Flavio Mauricio Ramos and Carlos Alberto de Nobrega do not even exist. Both are phantoms, two of the imaginary names used by PC Farias in his frauds. By the same token, albeit with a certain amount of exaggeration, it can be said that presidentialism and parliamentarism do not exist. They are academic fantasies dreamed up to classify into supposedly scientific categories systems that are in reality as diverse as is life on this planet and as unique, from country to country as each person's individual life experience can be.

The hoax unfolds to reveal several ramifications. The first is that it offers as immediately and indisputably understandable two concepts about which not even experts in the field can agree. The second is that it presents the form of government as being the decisive factor in the success of this or that country—as if

presidentialism explains the success of the United States, or parliamentarism the success of England. Or as if presidentialism explains the failure of Bolivia and parliamentarism—yes, they have parliamentarism over there—the catastrophe of Somalia. The third is to define as merely complementary to that question matters that actually precede it and are much more important—such as the electoral system, the political party system, and fairness of representation among the various units of the Brazilian federation. The fourth is to give the voter the impression he is making a crucial choice, when what is truly crucial will be the decisions on those other questions, decisions to be made—or not made—on the floor of Congress during the so-called constitutional revision. The fifth and final ramification is to stage a show of artificiality in Brazilian politics by uniting congressional delegations that have nothing to do with each other. The problem is not that each of them unites people from the far Right to the far Left—fronts are like that—but that they bring together for purposes of the institutional reform people who in reality are profoundly divided on that very same subject. By this we mean people who, when what is at stake are more serious questions such as political party, electoral, or state representation reform, will be playing on different teams than the ones they signed with for the 21 April plebiscite.

Bringing Down Governments

To begin at the beginning, let us ask ourselves: what is the essence of parliamentarism? One possible answer might be: the fact that the government is born in the belly of the Parliament. This answer would be true for Italy, where governments are born out of negotiations among the parties. But not in England, where they are formed not in the Parliament, but within the party that won the election. A slightly different answer would be: under the parliamentary system, the Parliament clearly takes precedence over the Executive Branch. But if that is the case, can the United States really be presidentialist, given the power that the Congress has, among its many other functions, to approve Cabinet appointments? Let us shift the answer: essentially, what differentiates parliamentarism is the fact that under that system the figures of head of state and head of government are not combined in the same person. But there are presidentialist regimes—such as in France, for example, which is indeed presidentialist, despite what people in Brazil usually say—where the function of head of government is exercised by a prime minister. Not to mention cases such as that of Peru, which is also presidentialist, but until not long ago had a prime minister.

Let us take a different tack: What distinguishes parliamentarism is the possibility of bringing down a government at any time—in fact, say the parliamentarists, if we had a parliament it would be much easier to replace a president, as this country did recently. We would have accomplished the change without delays and without the trauma of the impeachment process. The argument is absurd. The head of state was ousted, in Brazil. To oust him under parliamentarism, whether he is a king or a president, would be as complicated as under the presidential system, maybe even more so in the case of the king. Imagine England in the unlikely event that it had to depose Queen Elizabeth or—as may happen—Prince Charles? As for bringing down governments, it is not really so common or so easy in countries like England and Germany. In Italy, where cabinets slip and slide like mozzarella cheese on a pizza, would the result be very different than the replacement of the economic team under the presidential system? In reality, a Cabinet overhaul under the presidential system can have more dramatic results, as was the case in Argentina when Domingo Cavallo replaced Antonio Erman Gonzalez and implemented his radical plan to "dollarize" the economy.

Bullying

So much for our search for the "essential" difference between the two forms of government. We did not find any. For the record: the world does not have a parliamentarist "family" and a presidentialist "family," as if these were two orders of things that are quite different from each other and fairly homogenous within their own ranks. The presidentialists have said there is no parliamentarism; instead, there are "parliamentarisms." Truth to tell, there is no single presidential system either; instead, there are "presidentialisms." What is the common element, other than the figure of the president with certain powers, between the American presidential system with its two-party structure, its system of primary elections and even its presidential elections that, theoretically, are indirect because they are filtered through an electoral college, and the Mexican presidential government, with its virtual single-party system? Sometimes a country that is said to be presidentialist and one said to be parliamentarist have more in common than do two countries with the same type of government. In England, when a voter goes to the polls he knows whom he is electing as head of government. If he votes Conservative he will elect John Major, and if he votes for Labor, he will get Neil Kinnock. In that regard, the situation looks more like that of the United States, where voters clearly chose between Bill Clinton and George Bush, than it resembles the also-parliamentarist Italy, where the voters vote, but afterward only God knows who will be head of government—that depends on subsequent bargaining sessions.

Parliamentarism or presidentialism? How to decide, if what they are placing on the table in front of us is not one bottle of champagne and another of bordeaux, or one of milk of magnesia and another of cod-liver oil, but two empty bottles that they want us to choose from so they can later be filled? A voter wants a less personality oriented system, one based more on parties than on individuals, so he marks his ballot for the parliamentary system. Let us assume, with tremendous good will, that our half-breed [caboclo] parliamentarism really proves to be less personality oriented. But what about the states? Recently, Sao Paulo Governor Luiz Antonio Fleury

Filho went to Brasilia to complain about the appointment of Minister Luiza Erundina. He spoke his piece, made his impact, and brandished the inevitable threat—to steer his delegation against the federal government's position on the issue of fiscal reform. This is common practice. Everyone knows the influence the governors have over their state's congressional delegations. And what are you going to do about this traditional state bullying—or even municipal bullying—after the parliamentary system wins? Are you going to revoke it via a bill jointly sponsored by Antonio Carlos Magalhaes and Leonel Brizola?

There are lots of questions. Will the president be elected directly, if parliamentarism wins out? The parliamentarists are unanimous in saying "yes," for fear of being accused of wanting to strip the people of their vote—virtual political suicide. It is tough to imagine a parliamentary system that could function if there were a strong president, backed by the incomparable resource of the popular vote, competing with the Cabinet. It would be the source of endless tensions and deadlocks. As we have already observed, it is customary in Brazil to say that is the way things are in France. Actually, in France it is the president who runs the show, and, speaking of that, let us return briefly to the question of the differences between parliamentarism and the presidential system and concede that there is indeed one way, albeit a naive one, to distinguish them intuitively: where the president calls the shots, the government is presidentialist. Well, in France, the president gives the orders, and plenty of them. The prime minister is merely an aide chosen to serve at his pleasure, as Itamar Franco chose his finance minister, with the sole purpose of relieving the president of minor everyday duties.

What distinguishes the French Constitution is that it is amphibious. It becomes parliamentarist when the president loses his majority in the Assembly, in which case he ceases to give the orders. That has happened only once in the 34 years that charter has been in effect. It happened between 1986 and 1988, when the Right won the parliamentary elections and Jacques Chirac was made prime minister. Then people saw how impossible it was for an elected president and a rival Cabinet to coexist—so much kicking of shins under the table, and so many blockages in the system. Another case of an elected president, one specifically mentioned by the parliamentarists, is the Portuguese case. Well, those who look at Mario Soares tend to forget about Ramalho Eanes, the previous president. He served in a permanent state of war with a succession of Cabinets. It is Portugal's good fortune to have a Soares, today, satisfied with retirement, in a state of mind that makes up for the institutional defects.

Cherry On Top

One of the victims of the bankrupt choice between the empty bottles of parliamentarism and presidentialism is the series of truly necessary reforms. In what was referred to earlier in this commentary as being one of the ramifications of the hoax, these questions are being presented as merely complementary. A politician like Sao Paulo Mayor Paulo Maluf publishes an article in FOLHA DE SAO PAULO entitled: "Parliamentarism, But Only With Reforms." The demand is fair, but what does it imply? It suggests that if presidentialism wins, those reforms would not be necessary. Look, nothing that has been said so far about the vacuousness, or perhaps even uselessness, of the choice between parliamentarism and presidentialism is meant to deny that the institutional mechanisms of the Brazilian state need reform. They need it badly, under either parliamentarism or presidentialism. However, these reforms—such as the need to trim the number of parties and give them some consistency, or to correct the imbalances that result from the fact that the delegations from the smaller states are proportionately larger than those of the big states—have come to be so falsely identified with parliamentarism that there is a risk they would be shelved if presidentialism is victorious.

One argument to which the parliamentarists cling tightly is that if their cause wins, it will be easier to get to work on the other reforms. Who will guarantee it? On the issue of proportionality among delegations, the opposition from the North is obdurate. The North is joined in this by presidentialists like Pernambuco Senator Marco Maciel and parliamentarists such as Ceara Senator Beni Veras, who resort to an argument that is always the same: the North and Northeast should be compensated for their poverty by an increase in their political clout. See here, if the Chamber of Deputies is to become a clearinghouse for regional inequalities, it will end up duplicating the role of the Senate. We would have two houses representing the federation and none representing the common people—very bad for parliamentarism, which makes sense only if practiced in the house of the people, and especially bad for democracy in general, within which context presidentialism also operates.

The parliamentarists like to cite figures to prove that the wealthier and more successful countries of the world have adopted that form of government. If we are going to talk about statistics, then the monarchists are in an even better position: five of the seven countries having the highest per capita GDP in the world are monarchies (Luxembourg, Japan, Sweden, Norway, and Denmark) and only two are republics (Switzerland and Finland). The problem with these arguments is that they are as mystifying as stating that the countries where the people dress the best are the ones where the democratic institutions work the best, or that the countries where people eat the most are the ones that have the best pattern of income distribution. This is confusing causes with effects, and abstract forms with the substance that makes them work. The issue is having a political system that works. That is the main thing, and to make it work is a time consuming task. We are beginning at the end, starting with the cherry that will garnish the cake. We are being asked to decide whether or not there should be a cherry, but we have not been told what kind of filling and

icing will be used, or what shape and consistency the cake itself will have; even so, they tell us that the choice is a vital one. Therein lies the hoax.

[Box, p 22] Fronts as Sand Dunes

The fronts formed to champion parliamentarism and presidentialism are going to be like chameleons. They are going to transform themselves into many others, from here on out, depending on the problem being debated. Today, Deputy Roberto Freire, the administration's leader in the Chamber, stands on the front lines of parliamentarism, but do not count on him when the talk turns to the district vote, the method preferred by the majority of parliamentarists. On that issue he will be on the outside, as he will also be if they want to implement the touchstone of party reform—the requirement that a party win a minimum number of votes, 5 percent for example, to get into the Chamber. He will oppose both ideas in the name of his tiny PPS [People's Socialist Party]. In compensation, a presidentialist like Prisco Viana will join the parliamentarists that are now arguing for the district vote. "It gives the parties more stability," they say.

In theory, the parliamentarists should be in favor of overhauling the size of the state delegations to make the Chamber more representative of the electorate, right? Wrong. A parliamentarist like Luiz Piauhylino, of Pernambuco, leader of the PSB [Brazilian Socialist Party], is against that. You cannot take political power away from the North and Northeast. In compensation, presidentialist Vladimir Palmeira, (PT [Workers Party]-Rio de Janeiro), is in favor of it. Anyone who thinks that by voting for the parliamentary system he will be buying the complete kit of reforms is mistaken. Maurilio Ferreira Lima (PMDB [Brazilian Democratic Movement Party]-Pernambuco) and Haroldo Lima (PCdoB [Communist Party of Brazil]-Bahia) are parliamentarists but oppose the district vote. And Sidney de Miguel (PV [Green Party]-Rio de Janeiro) is a parliamentarist, but opposes requiring a party to garner a minimum number of votes to gain a seat in the Chamber. From now on, the blocs will be like sand dunes that change shape depending on how the wind blows.

* Politicos Realign in Anticipation of Plebiscite

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[Article: "What's All the Talk About?"]

[Text] *The debate about presidentialism or parliamentarism and republic or monarchy is arousing little interest among Brazilians, who are very uncertain about what is at stake. And the politicians do not agree either.*

The plebiscite that will determine the form and system of government to be adopted in Brazil is a little over two months away, and the voters are confused. According to a nationwide poll conducted by DataFolha between 2 and 4 February, 29 percent of those interviewed said they still did not know whether they would vote for presidentialism or parliamentarism. The percentage of undecided voters is even higher—45 percent—in a nationwide poll by Ibope [Brazilian Public Opinion and Statistics Institute] that was completed on Wednesday the 3d. Another opinion polling institute, Gallup, found at the end of January that 66 percent of its respondents were uncertain on that point—the same percentage as that saying it did not know the difference between the two systems of government. And DataFolha found in its poll that the debate is of little or no interest to 69 percent of the universe polled and is of great interest to 24 percent, while 8 percent have no definite opinion on the subject.

Brazilians View Plebiscite (percentages)

Preference	North/Center-West	Northeast	Southeast	South
Form of government:				
Republic	77	63	71	67
Monarchy	12	14	12	12
Other answers	3	1	1	0
Don't know	8	22	15	21
System of government:				
Parliamentary	31	29	35	35
Presidential	43	35	35	36
Other answers	2	1	2	1
Don't know	24	36	27	28

This DataFolha poll, involving interviews conducted with 2,500 individuals between 2 and 4 February, reveals that a republic is the preferred form of government, but opinions are divided between parliamentarism and presidentialism.

Comparison of January, February Poll Results		
	Percent	
Preference	15-16 Dec 92	2-4 Feb 93
System of government:		
Parliamentarism	38	33
Presidentialism	35	36
Don't know	25	29
Form of government:		
Republic	69	69
Monarchy	20	17
Don't know	10	13

The politicians have many explanations for that indifference and for society's lack of information. Senator Jose Richa (PSDB [Brazilian Social Democracy Party], Parana), who is president of the Parliamentary Front, says hopefully: "The campaign will heat up after the advertising on radio and TV begins." Bahia Governor Antonio Carlos Magalhaes (PFL [Liberal Front Party]), who supports the presidential system, does not share that optimism. His guess is that "the plebiscite campaign will get no response from public opinion." And Deputy Miguel Arraes (PSB [Brazilian Socialist Party], Pernambuco) even says that the plebiscite is not appropriate. "The voters are not motivated to vote because they are more concerned about solving the economic crisis, which has a direct influence on their well-being," says Arraes, who favors the presidential system. But according to Senator Mario Covas (PSDB, Sao Paulo), who favors parliamentarism, delaying the plebiscite is not going to eliminate apathy. "A year from now, things would be the same: it would still be the last two months before information really got disseminated." So it is not just in their opinions that our politicians disagree.

Majority Still Undecided	
System	Percent
Gallup (4,000 interviews in January):	
Presidentialism	17
Parliamentarism	17
Don't know the difference	66
Ibope (3,650 interviews on 3 February):	
Presidentialism	27
Parliamentarism	21
Parliamentary monarchy	7
Don't know	45

The debate over the form and system of government has put traditional political allies in opposing trenches and brought old rivals together around common objectives. In the former case, the most notable example is that of Sao Paulo Governor Luiz Antonio Fleury Filho and his predecessor, Orestes Quercia, national president of the PMDB [Brazilian Democratic Movement Party]. Fleury is a militant parliamentarian, while Quercia is commander in chief of the Presidentialist Front, which was launched in Sao Paulo on Thursday the 4th. That occasion was also the setting, incidentally, for a perfect demonstration of formerly unimaginable temporary ecumenism among opponents. Sharing the platform at the Reboucas Convention Center with Quercia, the host, were such disparate figures as Deputy Vladimir Palmeira, leader of the PT [Workers Party] in the Chamber of Deputies; Senator Marco Maciel (PFL, Pernambuco); Amazonas Governor Gilberto Mestrinho (PMDB); and Senators Ney Maranhao (PRN [National Reconstruction Party], Pernambuco) and Odacir Soares (PFL, Rondonia), members of the shock troop elite that defended former President Fernando Collor.

Vladimir Palmeira, who is a reinforcement much appreciated by the presidentialists, seemed at certain moments not to believe that he was actually present at the event. At the very beginning of the ceremony, when Quercia announced the name of Mestrinho as being one of the illustrious guests, the PT leader signaled with his hand, fingers closed and pointing upward, to his party's president in Sao Paulo, Ruy Falcao, who was sitting in one of the front rows on the main floor, as though to say: "Who would have believed it?" It was not long, though—perhaps because of the demonstrations of support by a small but cheerful group of rooters with painted faces from the Brazilian Union of Secondary Students—before Palmeira was demonstrating that he was at ease, although he did not conceal the strangeness of that partnership. "Here the three of us are: Quercia, Maciel, and myself. We have nothing in common, and we are always quarreling with each other, but today we are together to defend your right to vote," he said and was rewarded with applause. The only thing needed to make the organizers' satisfaction complete was the presence of two national presidentialist leaders, Governor Antonio Carlos Magalhaes and Rio de Janeiro Governor Leonel Brizola (PDT [Democratic Labor Party]), but they were not there.

Orestes Quercia did his best personally to ensure that the launching of the Front would be as nonpartisan as possible. During the preparations, he telephoned Antonio Carlos Magalhaes to issue the invitation, but was given the excuse that another engagement had already been made for that date. The former governor chose not to call Brizola, who has recently been attacking him virulently. Instead, he entrusted that mission to Marco Maciel, president of the presidentialist movement. Brizola excused himself on the grounds of family health problems—and in fact, his wife Neusa is undergoing medical treatment in New York—but named Rio de Janeiro Deputy Vivaldo Barbosa to represent him. Quercia had already tried much earlier to attract Sao Paulo Mayor Paulo Maluf (PDS [Democratic Social Party]) to the event. Maluf, historically a presidentialist, announced his conversion to parliamentarism on Tuesday the 2d.

The president of the PMDB had suspected nearly a month earlier, during the first telephone conversation between the two, that that might be the outcome. Maluf had said that his presidentialist convictions were being undermined by the indoctrination efforts of Deputy Delfim Netto (PDS, Sao Paulo) on behalf of parliamentarism. Quercia then looked up the man who had been a minister in several military governments [Netto] and held out double bait. But Delfim would not budge. For his part, Maluf wavered even more following a visit by members of the Parliamentary Front in mid-January. When he realized that he had been converted, he had the courtesy to inform Quercia by telephone that he was going to announce his decision. But when he did so, he inserted so many provisos into his profession of faith, making it dependent upon party-political reforms as far-reaching as they were unlikely to be approved by the National Congress, that there were those who doubted his sincerity. "Maluf is a surfer—he is always catching the wave of the moment," said Luis Inacio Lula da Silva, president of the PT and once an intransigent supporter of parliamentarism. Today he avoids talking about the matter, claiming that the party will take an internal preplebiscite poll on 14 March to determine its position.

Naturally, Maluf denies any opportunism on his part. He says he abandoned presidentialism because he became convinced that under the current rules, elections are a game with marked cards controlled by economic power, which is quick to collect what is owed by the person elected. He admits that he himself benefits from the system. "Paulo Maluf may have the vote and help of the economic power, but he has to give up his personal plans," he says. There are those who dispute the truth of that analysis. Speaking with the authority of one who worked as a coordinator of Maluf's indirect presidential campaign in 1984, Deputy Prisco Viana, also a member of the PDS, claims that the mayor is making a big mistake even in terms of his own political plans. Viana says: "Under the parliamentary system, Maluf has no chance of being elected; the elites are still prejudiced against him." The deputy does not seem to realize, however, that like other parliamentarians aspiring to the presidency, Maluf has nothing to lose. If the presidential system is adopted, his plans will not be harmed, and there will be the added advantage that his image will emerge with an aura of detachment. If the parliamentary system is adopted, so much the better for him.

On Thursday, while the mayor of Sao Paul was attacking a plate of veal and mushrooms in a room next to his office, Prisco Viana was participating in the launching of the Presidentialist Front. When the party was over, the movement's leaders, Prisco included, met in Quercia's political office in a spacious remodeled residence in Jardins Paulistanos to sketch out campaign strategies. There was a degree of tension in the air, and it turned to irritation at certain moments due to PDT member Vivaldo Barbosa's insistence on obtaining one-third of the front's daily 10 minutes of free campaign air time (beginning on 1 March) for the exclusive use of Brizola. The Rio de Janeiro governor is demanding exclusive air time in which to speak for the republicans, as though his companions in the front were monarchists. Actually, they suspect that Brizola wants to merchandise himself the way he does in the paid advertising he inserts in newspapers, where he usually refers to parliamentarism in passing as an "attempted coup" while focusing his fire on the Globo Network.

Brizola is accused of being behind a legal trick which, if approved in the Chamber of Deputies, would support his plan to obtain air time on television. Under the regulations approved by the deputies, free air time for campaigning would be divided equally between presidentialists, parliamentarians, and monarchists. With the exception of one vetoed item—concerning the form of the ballot to be used in the plebiscite, an issue that will now have to be decided by the Superior Electoral Court—that was the bill approved by President Itamar Franco last Thursday. The problem is that on 1 February, the PMDB leader in the Chamber of Deputies, Genebaldo Correia (Bahia), submitted a new bill changing the rules for the plebiscite. It provides precisely for giving free air time to the republicans for campaigning.

According to Deputy Jose Genoino (PT, Sao Paulo), that bill is the result of an agreement signed with the PDT by Correia to guarantee that the Brizola bloc's votes would all go to Deputy Odacir Klein (PMDB, Rio Grande do Sul) in the race for president of the Chamber of Deputies. The objective would be to prevent a situation in which, if Klein were defeated, he would become an obstacle to Correia's reelection as leader. It is well-known that the PDT threatened time after time to support Klein's opponent, Inocencio Oliveira (PFL, Pernambuco), who was eventually elected on Tuesday the 2d with votes that included those of the PDT. According to Genoino, Brizola's followers broke the pact. The latter, speaking through Deputy Luiz Alfredo Salomao (Rio de Janeiro), vehemently deny that accusation while trying to save face for Correia: "He acted as he did because the original law did not take into account article 2 of the Constitution's transitory provisions, which stipulates that information concerning the forms and systems of government shall be disseminated, and the republican system was excluded." Despite that effort, it is considered practically certain that the bill will be defeated in the Senate.

Brizola's rebelliousness has been helping indirectly to erode Marco Maciel's prestige among presidentialists. The senator was chosen to be president of the front in recognition of his ability to engage in dialogue with leaders of various hues. Some of those who put him in the job are beginning to suspect, in view of results that are as thin as he is, not only that his conversation is not all that effective but also that he talks more than he acts. In other words, his lack of initiative has been worrying some presidentialists, who blame him for the delay in getting the campaign started. If the PMDB had not insisted on holding the event that took place in Sao

Paulo, the movement would not have gotten started officially until the 16th of this month in Brasilia.

Internal quarrels are far from being an exclusive feature of the presidentialists. Among the parliamentarians, Governor Fleury's moves to amend legislation to make representation in the Chamber of Deputies truly proportional have been causing dissatisfaction. The distortion in proportional representation dates back to Getulio Vargas' first term, but it has grown worse with the passing of time and especially since the "April package," which was published by then President Ernesto Geisel in 1977 to protect the advantage enjoyed by the military governments in the Electoral College, and since promulgation of the 1988 Constitution. In article 45, which was proposed by former Deputy Bernardo Cabral, the 1988 Constitution stipulates that no state shall have fewer than eight or more than 70 deputies. The result is that the North and Center-West Regions are overrepresented, while the Southeast Region is underrepresented—dramatically so in Sao Paulo's case. This means that the vote of one Amapa voter is worth that of 33 Sao Paulo voters. An amendment submitted by Deputy Luiz Carlos Santos (PMDB, Sao Paulo) and backed by Fleury is aimed at restoring the rule of pure proportionality. If it passes, Roraima will end up with only one deputy, Sergipe will lose three seats, or one less than Rio de Janeiro, and Sao Paulo's bloc will increase to 104 deputies.

Not satisfied with putting his stamp of approval on that bill, Sao Paulo's governor organized a nonpartisan event at Bandeirantes Palace on Friday the 29th to show support for the change. That move was not well-received within the PSDB, which, although it favors proportionality, considers debate inappropriate at the moment—for the good and simple reason that it will tend to provoke a stampede by congressmen representing the North, the Northeast, and the Center-West—where, although the distortion in representation is not significant, the proposal is encountering strong resistance. Senator Beni Veras (PSDB, Ceara), president of the Senate Commission on Regional Imbalances, fires back: "What Fleury is not saying is that the rich states in the South and Southeast take almost all the funds in the federal budget and account for 92 percent of the total state and municipal debt." Being sensitive to reactions like that one, the PSDB's "cardinals" were absent from the meeting and did not conceal their disapproval. "The debate over changes in the system of representation and over the majority vote by district should be part of the constitutional revision," says Senator Jose Richa. But in Fleury's opinion, that reasoning goes against the most elementary arithmetic. His response: "Anyone who talks that way is not aware of the weight of the voters in each region." By his reckoning, the number of votes that the parliamentarians would lose in the states affected by the change in rules would be more than offset in the states benefiting from that change.

The parliamentarians think they have the necessary votes in Congress for winning approval of the reforms they consider essential to the smooth functioning of the new system of government. They base that opinion on the fact that they have 243 of the 503 existing deputies and 46 out of a total of 81 senators enrolled in the front. They reason that they would have no difficulty in collecting the additional votes they need for a majority in the constitutional revision process. They may be right, but first they will have to achieve internal consensus. Although support for changes such as the adoption of party loyalty and for the need to have a strong president of the republic along French lines predominates, not everything is unanimity. Going against the dominant tendency to support a majority vote by district is the government leader in the Chamber of Deputies, Roberto Freire (PPS [People's Socialist Party], Rio Grande do Sul), who considers that measure restrictive from the standpoint of party pluralism. "Even the mixed system leads to a concentration of political power, excludes minorities from the decisionmaking centers, and leads to the two-party system," he says. On the other hand, although President Itamar Franco's parliamentary convictions are making him willing to anticipate implementation of the new system by giving up some of his powers, as Senator Pedro Simon (PMDB, Rio Grande do Sul), government leader in the Senate, says, that is not winning him any applause from his peers. From Jose Richa, for example, who says: "I am strongly opposed to the establishment of parliamentarism in 1994 because we cannot allow the people to be harmed by haste."

The front's parliamentary model provides that the president of the republic must be elected directly by secret ballot for a term of six years rather than the current five years and in only one round of balloting. The idea at first was to have two rounds, with indirect election in the second round, but that idea was abandoned because it was obviously unpopular. Being chief of state, the president of the republic would designate, appoint, and dismiss the prime minister and, on the latter's advice, the ministers of state; dissolve the Chamber of Deputies and call special elections; and command the Armed Forces. In case of incapacity or vacancy, the president would be replaced by the president of the Senate, not the president of the Chamber of Deputies. The new system of government would be extended to the states and perhaps, depending on a particular state's constitution, to its municipalities as well.

Among parliamentarians, paradoxically, presidentialism is gaining ground. Although they think they have a majority in Congress, there is starting to be a degree of pessimism concerning their chance of victory in the plebiscite. Besides the difficulty involved in making people understand the system they are proposing, they admit that Fernando Collor's removal from the presidency has eliminated part of their argument concerning the current system's inability to absorb institutional crises. In private conversations, they go even further and admit that many people viewed parliamentarism as a means of taking powers away from then President Collor, since they were expecting him to serve out his term.

From that standpoint, it would be a repetition of the parliamentary system experienced by Brazil from September 1961 to January 1963, when that system was a compromise solution accepted by the military in order to put Vice President Joao Goulart in office following Janio Quadros' resignation. In that short period, the country had four troubled cabinets, and parliamentarism was brought to a melancholy end by a plebiscite.

Discouragement concerning approval of the parliamentary system has affected, among others, Deputy Benito Gama (PFL, Bahia), president of the Chamber of Deputies CPI [Congressional Investigating Committee] that handled the charges against Fernando Collor. Benito feels that the Parliamentary Front is disorganized and that the presidentialists also have the advantage due to inertia in public opinion. Others who admit to being pessimistic are Deputies Gustavo Krause, Itamar's former minister of finance, and Roberto Magalhaes, both of the Pernambuco PFL.

Inocencio Oliveira's election as president of the Chamber of Deputies is also mentioned as a factor working against parliamentarism. The defenders of that thesis point to that episode as an example of the possibility of someone's being elected in the Chamber of Deputies more because of his familiarity with the corporative game than because of his political representativeness in society. On the day when Inocencio won, Minister of Foreign Affairs Fernando Henrique Cardoso commented to a circle of friends in his office: "This episode is very worrying for us," he said with his PSDB parliamentary heart on his sleeve. It must be said that the presidentialists even thought of targeting the Achilles' heel of their opponents. At a meeting in Brasilia to discuss possible slogans for the campaign, one member of the team suggested the following motto: "If you want to hand the country over to Inocencio, vote for parliamentarism." His suggestion brought laughter, but was rejected as being politically incorrect.

There are signs that the richest businessmen in Brazil—those belonging to the Sao Paulo State Federation of Industries (FIESP)—would not endorse the adman's proposal. Parliamentarism is the ideal system of government in the opinion of nine out of 10 businessmen responding to a FIESP poll of about 200 members on the 28th of last month. The organization's president, Carlos Eduardo Moreira Ferreira, advises the parliamentarians that he has rolled up his sleeves to work for the cause: "I am enclosing a little cash to strengthen the Parliamentary Front's fund." He has already been approached by Sao Paulo Deputy Cunha Bueno, currently without a party and a supporter of monarchy, in search of campaign funds. Bueno has a big chance of success if he knocks on the doors of three businessmen who voted for a monarchy in FIESP's poll: Mario Rubens Costa, Maurilio Biagi Filho, and Oswaldo Palma.

This time businessmen in general have a legal opportunity to do what they have always done under the table. According to the regulations governing the plebiscite as signed by President Itamar, they will be able to deduct contributions of up to 45,000 Ufirs [Reference Fiscal Units] (currently 441 million cruzeiros) from their income tax returns. The estimated costs range from a high of $14 million (parliamentarians) to a low of $1.2 million (monarchists). At the various campaign headquarters, it is common to hear complaints that the money is slow in coming.

Pros and Cons

The arguments used by the supporters of each system to persuade the undecided are as follows:

Advantages of Parliamentarism

1. It reduces the risk of institutional crises or coups. The parliamentary system provides solutions for periods of confrontation such as removal of the prime minister or dissolution of the Chamber of Deputies.

2. The government finds it easier to obtain passage of its bills. The prime minister is forced to win the support of the majority of deputies to remain in office. Otherwise he is replaced.

3. The government program presented by the prime minister must absolutely be approved by the deputies. This creates a commitment to the proposals on the part of the deputies and facilitates political negotiation.

4. The prime minister does not serve for a definite period of time. He can remain in office as long as he continues to have majority support in the Chamber of Deputies. If he loses that support, he can be quickly removed.

Advantages of Presidentialism

1. The people choose the head of the government in direct elections, with the result that they have a clearer knowledge of which proposals are going to be implemented. Direct elections also increase the people's power to check up on what is being done.

2. The president is both chief of state and head of the government, a situation that speeds up decisionmaking. The president has the power to appoint his ministers, and all government decisions are centered in him.

3. There is a balance of power between the executive, legislative, and judicial branches. This prevents the legislative branch from combining the functions of government and of oversight of government actions, which is what occurs in the parliamentary system.

4. It is not necessary for the president to have a majority in Congress to remain in office. He can choose to negotiate with congressmen on a case-by-case basis regarding bills that are of interest to his administration.

Different Models

The United States and Italy represent the extremes of presidentialism and parliamentarism respectively. In the United States, power is concentrated in the hands of the

President, and the two-party system eliminates the possibility of coalitions. In Italy, parliamentarism and the multitude of parties mean that the inevitable coalitions are the true decisionmaking center. A change of position by one small party can wipe out the government's majority in Parliament and bring on a vote of no confidence, thus unseating the prime minister. The parliamentary system in Great Britain is based on alternation in power by the two major parties. And France has adopted a mixed system in which, in the final analysis, the chief of state is more important than Parliament, but its system does not represent a full presidential system.

United States

System: presidential. The chief of state—currently President Bill Clinton—is elected by an Electoral College, the delegates to which are appointed by the winning party in each state. The President is also head of the government. The two houses—the House of Representatives and the Senate—have legislative power. In order for any law to be adopted, it must first be passed by the House of Representatives and then ratified by the Senate.

Elections: Simple majority vote by district for the House of Representatives. Senators are elected directly by state.

Main parties: Democratic (now in power) and Republican. In the entire legislature there is only one congressman—a Socialist—who does not belong to one of the two major parties. In practice, the two-party system eliminates coalitions.

France

System: A republic combining the features of parliamentarism and presidentialism. Besides appointing the prime minister, the chief of state (currently President Francois Mitterrand) can dismiss the cabinet and call elections. It is also the president who handles foreign policy and defense policy.

Elections: Majority vote by district in two rounds for the Chamber of Deputies. The Senate is a consultative body consisting of individuals chosen by an Electoral College for a nine-year term, and its role is that of symbol of the republic. The president is directly elected in two rounds for a seven-year term.

Main parties: Socialist (now in power), French Democratic Union, Rally for the Republic, and Communist. Despite that fragmentation, the president's powers prevent cabinet reshuffles.

Great Britain

System: Parliamentary monarchy. The chief of state, currently Queen Elizabeth II, functions as the symbol of union in the British Commonwealth. She confirms as prime minister the leader of the party winning the elections for the House of Commons. The other chamber—the House of Lords—consists of members of the nobility and plays the role of a consultative Senate.

Elections: Simple majority vote by district. Each district elects its representatives in the House of Commons in one round of balloting.

Main parties: Conservative (now in power), Labor, and Liberal Democrats. The existence of two major parties—Conservative and Labor—results in the formation of stable cabinets. Votes of no confidence are practically nonexistent.

Italy

System: Parliamentary republic. The chief of state, currently President Oscar Luigi Scalfaro, embodies the country's unity, but has no executive power. He is elected by the legislative branch and, on the basis of the makeup of parties in the Chamber of Deputies, appoints a deputy to form the government. If that deputy wins the support of the majority when he presents his program and cabinet to Parliament, he is confirmed as prime minister. The Chamber of Deputies is directly elected, as is part of the Senate. There are lifetime senators, and others are appointed by the president after consultation with the parties.

Elections: Proportional. The voter votes for party lists, but may indicate his preferred candidate on the list.

Main parties: Christian Democratic, Socialist, Social Democratic, and Liberal (forming the government coalition), the Northern League, and the Democratic Left Party (formerly the Communist Party).

Chile

'Influential' U.S. Commission Supports Free Trade Talks

PY2502170793 Madrid EFE in Spanish 1728 GMT 24 Feb 93

[Report by Francisco Roque Bacarreza]

[Excerpts] Washington, 24 Feb (EFE)—A proposal to negotiate a free trade agreement between the United States and Chile today received the support of the influential U.S. International Trade Commission. [passage omitted]

Patricio Silva, Chilean ambassador to the White House, told EFE that the opinion of Don Newquist [chairman of the U.S. International Trade Commission], added to other favorable opinions, is "authoritative" because the International Trade Commission has already made a broad study of Chile and is preparing another.

"I am convinced that the new (U.S.) Administration admires Chile's political and economic success. President Clinton told me this personally on the eve of his inauguration," the ambassador said.

Silva said that the conclusion of the free trade agreement among the United States, Mexico, and Canada is considered essential, and that its approval by the U.S.

Congress would give a green light to negotiating similar agreements with other regional countries.

The ambassador expressed hope that once the free trade agreement process is fulfilled, the White House will this year convey to Congress its intention to negotiate a free trade agreement with Chile.

Newquist, based on the reports issued by the organization he heads, said today that in 1992 Chile had one of the most accelerated economic growths in the region (10 percent), dropped the customs tariffs for almost all products by 11 percent, and has an extended privatization program.

He added that the stability of the Chilean democracy, and the measures adopted by President Patricio Aylwin to improve the situation of the environment and of workers, are elements that will facilitate a negotiation with the United States.

Newquist claims that the bilateral agreement "will strengthen the Chilean role as a model for the other Latin American nations."

Ambassador Silva today also expressed hope that the White House would ask Congress to extend for four years the "rapid treatment" for the analysis of U.S. commercial agreements with other nations. [passage omitted]

Minister Views U.S. Position

PY2502192393 Santiago Radio Chilena Network in Spanish 1600 GMT 25 Feb 93

[Text] Foreign Minister Enrique Silva Cimma has said that the U.S. Government is willing to sign a free trade agreement with Chile even though, in a speech delivered a few days ago, President Clinton omitted the expression "free trade" when referring to the agreement that he expects to reach with our country.

[Begin Silva Cimma recording] We believe the U.S. position basically remains unchanged and that a free trade agreement is being sought within the framework of the America's Initiative. It may go under a different name, but the objective is the same. [end recording]

Silva Cimma said this while opening a meeting of Chilean and Bolivian technical teams, which are negotiating a bilateral supplementary economic agreement.

The minister said that the agreement seeks to reestablish a balance of trade which now shows a deficit on the Bolivian side. He said:

[Begin recording] If the negotiations succeed—and we hope they will—the Santa Cruz de la Sierra meeting of foreign ministers, over which I will preside in my capacity as Rio Group coordinator, will be the site of the signing of a bilateral supplementary agreement with Bolivia. This will be an immediate result of an agreement that we will sign with Venezuela during a preparatory session, to be held in Chile, for that meeting. [end recording]

Silva Cimma said that the agreement with Bolivia will include products essential for the Bolivian economy and a list of 100 products that will enjoy preferential tariffs.

General Pinochet Leaves 'Unexpectedly' for Uruguay

PY2502122093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 24 Feb 93

[Text] General Augusto Pinochet, Army commander in chief, today left unexpectedly for Uruguay on an allegedly private visit. Pinochet left in the company of his wife and his security agents. A visit to Punta del Este is apparently included on his agenda.

[Begin recording] [Pinochet] I am leaving on a private trip. Tomorrow I will meet the Chilean ambassador who will come to greet me. The Uruguayan president is always very busy. If possible, I would like to greet him, but if this is not possible I will be left only with my intentions.

[Unidentified reporter] Sticking to the same topic, I will ask something linked to my colleague's question. Latin American armies, and those of the rest of the world in general, have been reducing the number of their personnel with improvements in the technical fields and more professionalized Armed Forces. Are you in favor of reducing the Army contingent and ensuring more professionalization, or do you believe things should remain as they are?

[Pinochet] We are professionals. Our Army is one of the most professional armies in Latin America. As a result, we have the smallest contingent possible. What is the so-called readjustment? To have three battalions instead of having a division, and to have 50 pieces of artillery instead of 20. This is called adapting to an existing situation. [end recording]

Foreign Minister on Poisoned Grapes, De Klerk Visit

PY2502141193 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 24 Feb 93

[Text] Foreign Minister Enrique Silva Cimma has reported that the government has not decided whether to continue taking the necessary steps to solve the poisoned grapes problem before U.S. courts or to definitively summon the Bryan Commission to solve the problem.

After meeting with President Aylwin the minister confirmed that South African President Frederik De Klerk will visit our country on 27 March. Silva Cimma denied, however, rumors that Bolivian Foreign Minister Ronald MacLean would visit Chile.

[Begin Silva Cimma recording] There is no official report from the Bolivian Government on this. I don't really believe he is coming, unless he plans to surprise us.

I have been speaking regularly with MacLean over the last few days, and he has not told me anything. It would be a surprise if he suddenly arrived. [end recording]

Minister Silva Cimma concluded by saying that the Bolivian-Chilean talks to begin here in Santiago tomorrow will be held with the Bolivian consul general.

Implementation of New Drug Enforcement Plan Announced

PY2502190093 Santiago Radio Chilena Network in Spanish 1600 GMT 25 Feb 93

[Excerpt] The new drug enforcement plan, which will be implemented by the Investigations Police—as was announced by the director of this police organziation—provides for the purchase of new infrastructure facilities, the hiring of more personnel, and the implementation of preventive and education campaigns. This information has been released by Deputy Prefect Jose Sotomayor, Drug Enforcement Brigade chief, who reported that a plane, several vehicles, and motorcycles will be used for the implementation of the plan. The plane, a turbo Cessna 206 that will patrol the area along the Bolivian and Peruvian borders, has a low altitude flight system and a system for landing in the field.

[Begin Sotomayor recording] This plane, which has such special features, will be working in coordination with ground patrols, which will have vehicles and 20 powerful all-terrain, 350 cc Italian-made Cagiva motorcycles, which were donated by the Italian Government. These materials will undoubtedly become efficient instruments in the drug enforcement effort, which will thus become more efficient, also increasing the amount of drugs seized in the northern region. [end recording] [passage omitted]

Colombia

Alleged Escobar Associate Surrenders to Authorities

PA2602013693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Feb 93

[Text] Ivan Giovanni Lopera Zavala, another alleged member of Pablo Escobar's organization, turned himself in to the Antioquia Regional Attorney's Office a few minutes ago. Lopera is the owner of Villa Kelly Ranch, which was burned by the Persecuted by Pablo Escobar group in Fredonia Municipality two days ago.

DAS Alerts Airports To Block Escobar Relatives

PA2502180693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 25 Feb 93

[Text] In addition to its military operations, the Administrative Department of Security [DAS] put all the country's airports on alert to prevent the exit of Pablo Escobar's relatives, who do not have proper documents. The alert was declared after the DAS verified that Escobar Gaviria has bribed immigration officers to allow his children to leave the country without the proper permits. Five detectives were fired for this.

On 19 February Escobar's minor children were at the last minute taken off a commercial airplane that was scheduled to fly from Rio Negro to Miami.

Venezuelan Officers Implicated in Coup Said Hiding

PA2502192293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 25 Feb 93

[Report by Diego Hernan Canal]

[Text] Venezuelan officers involved in the coup attempt hide in Colombia. The Foreign Ministry and the Administrative Department of Security [DAS] are in a quandary over this case. The disclosure came about through a telephone call that explained that 15 officers who took part in the November coup attempt in Venezuela are hiding in Colombia. The man identified himself as Captain Ramon Rodriguez and spoke to Colonel Higinio Castro, who was arrested by the DAS in Ipiales.

[Begin Castro recording] An officer, whom of course I know, surprised me by calling to tell me that some Venezuelan officers are hiding in Colombia and that many Colombian families have given them lodging inside Colombian territory. [end recording]

According to the information, the Venezuelan officers are being helped by Colombian Armed Forces officers. During the telephone call, Rodriguez also said they want political asylum. The Foreign Ministry, however, has no information about this case.

[Begin Foreign Minister Nohemi Sanin recording] The Colombian Foreign Ministry has received no such request. [end recording]

Government Steps Up Fight Against Drug Traffickers

PA2602040793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Feb 93

[Report by Javier Dario Restrepo]

[Text] The government's armed actions will not stop until all drug traffickers and guerrillas surrender. This was the main topic of a news conference in which Government and Interior Minister Fabio Villegas said an adequate force will fight the guerrillas and drug traffickers, who have incalculable economic resources.

The national government will continue to use an iron fist against the drug traffickers and guerrillas. The most important social expenditure currently is the one that can guarantee the security of citizens, according to the government minister. He stated the official position is to go as far as possible in matters of public order.

[Begin Villegas recording] The country has no other option. The country has no other alternative if it wants to find lasting peace and tranquillity but to subject the narcoterrorist organizations and the subversives. The only way to recover peace and justice permanently is to subject these criminal organizations. [sentence as heard] [end recording]

The minister said there is going to be a military response without respite in the war that drug traffickers and guerrillas have declared on all citizens.

[Begin Villegas recording] What the country perceives today is that the state and society are really capable of facing these criminal organizations. The country cannot continue to resign itself to being subjected to the will of criminals. The country cannot resign itself to seeing a nation subjected to injustice and terror. [end recording]

The minister announced that the decrees that were enacted under the state of internal disturbance will be submitted to Congress so they can become permanent law.

Medellin Car Bomb Injures 15, Causes 'Extensive' Damage

PA2602042093 Paris AFP in Spanish 0348 GMT 26 Feb 93

[Text] Medellin, Colombia, 25 Feb (AFP)—At least 15 persons were injured on the evening of 25 February when a car loaded with explosives went off outside the main offices of the National Enterprise for Telecommunications in downtown Medellin, the Metropolitan Police Department reported. Three policemen who patrolled the area are among the injured. Property damage was extensive.

* Business Sector Attitudes on Economy Surveyed

* Overview of Sectors

93SM0124A Santa Fe de Bogota EL TIEMPO in Spanish 10 Jan 93 p 9B

[Text] **Decline in Law and Order: A Drag on the Economy**

What are businessmen worrying about now? Fears of a revaluation, the effects of economic liberalization, and higher taxes have been completely overshadowed by the decline in law and order. All sectors agreed in EL TIEMPO's fourth Business Opinion Survey (EOE) that subversive crime is the worst scourge of the economy. The Gaviria administration gets a passing grade for the year.

What happened to the Gaviria administration and the grade it got in management of the economy is familiar to many students: It made a comeback during the last few months of the year. At least that is the opinion among businessmen at the close of the 1992 "academic year."

The Economic Opinion Survey that EL TIEMPO conducts quarterly among businessmen all over the country gave the administration a mark below 3.0 for its handling of the economy in the months of March, June, and September. In December, however, its grade was 3.3 out of 5, and that, in fact, was its final grade. Thus, the administration passed the course for the year.

There is something coincidental about the grade that the businessmen gave: It is the same as the economic growth rate estimated by the National Planning Department for the year that has just concluded. It could only be that: a coincidence.

In contrast to previous quarters, all businessmen except those in small and medium-sized manufacturing give the administration a 3.0 in running the economy. The highest grade comes from the transportation sector, a 3.6, followed by construction with 3.5, and industry and commerce with 3.4. The agriculture sector handed down a 3.0.

The above shows that as 1992 unfolded, Colombian businessmen improved their situation and raised their expectations for the economy, so much so that as the year ended, conditions were regarded as acceptably good.

In any event, the average economic growth at year's end was lower in the view of business owners than in the opinion of the administration, as they felt that the economy grew just 2.3 percent, as against a Planning Department estimate of 3.3 percent.

Both figures may be valid. The administration's number could be affected by the sharp increase in construction, which accounts for slightly more than one percentage point of growth, and in coffee milling, which reportedly accounts for a half point. Thus, the 2.3 percent estimate of businessmen would approach the official one.

The survey covers a sampling of 500 businesses in different production sectors in various regions of the country. The activities that carry the most weight in the Gross Domestic Product (GDP) were selected: large-scale industry, agriculture, commerce, exports, construction, small and medium-sized industry, transportation, and tourism and travel.

Each of the various economic sectors has its own views on 1992 and what 1993 will be like. The following are the main conclusions.

Large-Scale Industry: 3.3

The manufacturing industry ended the year in much better shape than it expected in spite of rationing, economic liberalization, and violence. This is reflected in the shift from a worrisome pessimism early in the year to moderate optimism during the last two quarters. The initial estimate of industrial growth of 1 percent, not counting coffee milling, was thus forgotten. By the end of

the year the rate was 2.5 percent, which though perhaps not significant is at least better than the 1.5 percent decline in 1991.

The early months of the year were relatively quiet, as the first poll showed: three-fourths of businessmen said that they had not boosted output between January and March. In the second quarter 45 percent reported growth, 56 percent in the third, and 68 percent in the fourth. Industry gave the administration a 3.3 in handling the economy.

Construction: 3.5

The assessment of this sector's businessmen agrees with the official figures. The construction sector was the pacesetter for the economy in 1992, as it posted around 10 percent growth in real terms. Production was up for 87.5 percent of the respondents and sales for 100 percent of them. Half of the sample regard the economic liberalization, which worried so many sectors early in the year, as positive; 37.5 percent said they were indifferent; and only 12.5 percent replied that the change has been for the worse.

There is no less uncertainty now than before about economic policy, and 62.5 percent of builders think that they will do better in the January-March 1993 quarter than in the previous one. Nevertheless, 37.5 percent feel that the sector's performance will be the same. The reason is that 1992 was a record year that will be hard to top.

Small Industry: 2.9

This was the only sector that gave the administration a failing grade at year's end: 2.9. The mark comports with how small industrialists feel. A high percentage of the respondents think that they will do no better in the first quarter of 1993 than in the last quarter of 1992. Small businessmen are the least optimistic. Only 30 percent regard economic liberalization as positive; 54 percent did not expand their work forces during the period, and 38 percent have no plans to expand in the coming years.

As far as 30 percent of the country's small businessmen are concerned, the main problem for them is new taxes, while 23 percent feel that demand is low for their goods. In any event, the breakdown of law and order also weighs heavily on their decisionmaking, as 38 percent think that this is the main obstacle.

Experts felt that energy rationing was a heavy burden on the cost structure of small and medium-sized industry in 1992; this seems obvious.

Exporters: 3.2

Toward the end of the year the export sector, which had been among the administration's most relentless critics, softened its stand. For the first time it gave the administration a passing grade (3.2) and was less pessimistic in its growth projections.

In the first-quarter survey, which coincided with the revaluation and the first signs of a recession in the world economy, exporters were betting on growth of just 0.9 percent. At the close of 1992, their projection was 2.3 percent.

Exporters are optimistic about what this year holds in store for them. Two-thirds think that they will do better than in 1992. As for sales, 46 percent of respondents said that they were up in the October-December period. The results in production are less encouraging, as only 28 percent report increases.

Commerce: 3.4

Commerce, which had been in a slump for the previous two years, had a boom in 1992. Eighty-four percent of those polled saw their sales increase, and 60 percent have investment plans this year. This confirms that the sector's recovery, which was detected in the first survey, was not just wishful thinking.

The outlook was darkened, however, by lawlessness and new taxes, the main problems that plagued the sector, displacing such traditional problems as low demand. The increase in the VAT [value added tax] to 14 percent will slow up this year if it indeed affects consumer behavior.

Merchants were less harsh with the administration than in previous quarters. They "passed" it in the end with a 3.4. They were also less pessimistic in their forecasts of economic growth, which they estimated at 2.7 percent.

Farmers: 3.0

Farmers and processors of agricultural raw materials have been gradually changing their minds about the government's handling of the economy.

Early in the year they gave it a 2.8 and just 1.8 between April and June. By the close of the year businessmen farmers felt that the management of the economy in the last quarter deserved a 3.0.

The decline in law and order was the sector's main problem in 1992. This was the factor that hit rural output the hardest. There is continuing concern over the difficulties in restoring calm.

Agriculture was the most pessimistic sector of the economy, as farmers say that economic liberalization will continue to hurt them.

Transportation: 3.6

The fears that beset overland haulers during the first two quarters of the year over unclear ground rules were dispelled once and for all at the close of 1992, as the administration got a grade of 3.6 out of 5. Moreover, they all regarded the effects of economic liberalization as positive and plan to invest in the years to come. Sales

rose for 40 percent of them but declined for another 40 percent, staying the same for the remaining 20 percent.

Nevertheless, the announcements and meetings to chart joint plans for controlling lawlessness were of no use in the fourth quarter. This was the country's and the sector's number one problem in the opinion of all those surveyed.

Travel and Tourism: 3.4

Although in past quarters travel agents, hotel owners, and passenger airline owners always "flunked" the administration, they wound up giving it a 3.4 out of 5 at year's end.

As in the transportation sector, all of the respondents felt that the decline in law and order worsened and represented the main stumbling block for the domestic economy, while 55.55 percent considered it the sector's main problem.

The number two problem remained taxes (60 percent), followed by the cost of borrowing (33.33 percent). Factors such as economic uncertainty, which was high on the list early in the year, disappeared.

Companies' Leading Problems (in percent)

Problem	Agriculture	Industry	Commerce
Decline in law and order	50	35	50
Taxes	25	19	25
Low demand	20	13	12.5
Relations with government/ official bodies	2.5	6	12.5
Lack of funds	2.5	8	—
Cost of credit	—	8	—
Others	—	11	—

Findings of EL TIEMPO's Four 1992 Polls

Grade in Handling the Economy				Expected Economic Growth (percent)				
First quarter	Second	Third	Fourth	First	Second	Third	Fourth	Official Estimate
2.8	2.9	2.7	3.3	2.0	1.6	2.0	2.3	3.3

How Do You Think You Will Do This Year?

Response	Percent
Better	60.95
The same	31.03
Worse	8

* Security Threat

93SM0124B Santa Fe de Bogota EL TIEMPO in Spanish 10 Jan 93 p 10 B

[Text]The Decline in Law and Order: the Bitter Side

Although the first three polls found that the decline in law and order was a problem for the domestic economy, it became the main disruptive factor in the last quarter of 1992 in the unanimous opinion of businessmen.

Fifty-nine percent of businessmen from the economy's seven main sectors agreed that the anxiety that kidnappings, terrorist bombings, extortion, and blackmail are causing in the country is our number one worry, even more than the taxes that went into effect on 1 January.

This sentiment, which was practically unanimous among businessmen, had not been seen in previous polls.

In the first poll last year (January-March), the main problem for the economy was instability in economic policy. In the second survey the disruptive element was rationing, followed by uncertainty over economic policy.

In the third poll, lawlessness came in first, but not across the sectors. This is the noteworthy fact about the fourth poll.

Sectors like transportation and tourism were unanimous in identifying the decline in law and order as the number one problem. The reason is very simple: They are very sensitive to terrorist actions. In 1992, for example, the guerrillas set fire to 58 tractor-trailers, causing losses of 3.8 billion pesos. And merchandise worth 750 million pesos was lost.

Large-scale industry was not far behind in this same assessment. Fifty-five percent of the industrialists consulted see the decline in law and order as our main obstacle, followed by the new taxes.

The same holds for farmers (50 percent) and merchants (43 percent).

Although the instability caused by this phenomenon has worsened, most businessmen replied that they have investment plans and hope that the next quarter will be better because of the actions that the administration has taken under the domestic-disturbance decrees.

On the macroeconomic level, the respondents also voiced their concern over the increase in taxes on 1 January. Under the tax reform, a VAT of 14 percent, an income surtax of 25 percent, and a 1.5 percent hike in Social Security contributions, among others, took effect.

Problems in the Economy (percent)

Sector	Decline in Law and Order	Taxes	Uncertainty	Credit	Rationing	Revaluation	Other
Large-scale industry	55	25	13	0	3.5	0	3.5
Small/medium industry	46	7.7	23	0	15	4.15	4.15
Commerce	43	46	11	0	0	0	0
Exporters	46	15	15	0	8	8	8
Construction	37.5	25	12.5	0	12.5	12.5	0
Agriculture	50	33	15	2	0	0	0
Transportation	100	0	0	0	0	0	0
Travel/tourism	100	0	0	0	0	0	0
Total	59.68	18.96	11.18	0.25	4.87	3.08	1.95

* Small Industry

93SM0124C Santa Fe de Bogota EL TIEMPO in Spanish 10 Jan 93 p 10 B

[Text] **Small Industry Overcame Woes**

The economic problems of small and medium-size industry apparently vanished altogether by the end of the year. Low demand, the cost of borrowing, and rationing, which were the main headaches during the year, became unimportant.

In the opinion of 46 percent of the small businessmen whom EL TIEMPO interviewed for its Economic Opinion Survey, the decline in law and order became the main scourge of their companies.

The problem was not serious enough, however, to dampen the small businessmen's production and sales. In the view of 46 percent of the respondents, output increased, and 53 percent felt that sales did too.

This development is perfectly understandable in the last quarter of the year, as this is the period in which businessmen prepare to meet the traditional increase in demand that comes in December.

The fact is that some of the key problems for small industry in the early quarters of the year clearly changed. During the first quarter businessmen were hurt by light demand and expensive credit; in the second, rationing was the main problem, and in the third they were again hurt by declining demand.

There was a significant change during the last quarter of the year. Besides the decline in law and order, small businessmen feel that there is great uncertainty about economic policy and a slew of new taxes that will boost unemployment in their industries.

This Is What Happened

The fact is that electric-power rationing did not, as had been expected in 1992, hurt industrial output, especially that of small and medium-sized business.

During the last quarter, for example, the lack of a normal supply of electric power was seen as a severe problem by just 15 percent of the businessmen responding to the poll.

Twenty-three percent said that the main problem the economy faced during the last three months of the year was uncertainty about economic policy, in other words, the inability to predict what decisions the administration would make on the economy.

On the other hand, small businessmen felt that the administration's tax policy was the number two problem, behind the decline in law and order, that their companies had to face in the last quarter. Higher taxes were the dominant issue to 30.7 percent of the respondents.

As in previous polls, small business leaders said that economic liberalization is having no impact on their companies. Some 61.5 percent replied that the internationalization model makes no difference to them, while 30.7 percent said that liberalization is having a positive impact.

Businessmen in medium-size business gave the administration a failing grade, feeling that the economic team deserves a 2.9 for their performance in the last three months of the year.

What do they expect in the first quarter of this year? All of the businessmen surveyed are optimistic that the situation will be better than or the same as in the last quarter of 1992, in no event worse.

Opinion of Businessmen in Small and Medium-Size Business (percent)

Opinion	Production	Sales
Grew	46	53.8
Stayed flat	30.7	30.2
Declined	23	15.3

* Improvement Expected in 1993

93SM0124D Santa Fe de Bogota EL TIEMPO in Spanish 10 Jan 93 p 11 B

[Text] **Optimism Abounds Among Businessmen**

Contrary to what happened in 1992, which began amid uncertainty, 1993 has begun in an atmosphere of restrained optimism. Agriculture and tourism and travel are worried, though.

Most Colombian businessmen think that the favorable results at the close of 1992 will extend into this year in spite of the problems attending the decline in law and order and the higher taxes they will have to pay. Thus, 61 percent of them think that the situation will improve, 31 percent that it will remain the same, and just eight percent that it will worsen.

The various sectors of the domestic economy are optimistic about the short-term future, especially trade and industry. Thus, 78 percent of the industrialists surveyed said that they would do better in the first quarter of 1993 than in the last quarter of the year just ended. Only four percent think that they will do worse.

As for merchants, the numbers also look good, as 80 percent think that January-March will be better, while 20 percent expect no change in the outlook.

The findings are contained in the quarterly Economic Opinion Survey that EL TIEMPO conducted in December. This poll has the broadest coverage both in terms of the number of businessmen surveyed and the range of sectors.

As a result of the decline in law and order in rural Colombia, one-fifth of farmers feel that the first quarter of this year will be worse than the fourth quarter of last year. Although the percentage is small, it does reflect the uneasiness in the Colombian countryside.

Another sector that is somewhat pessimistic comprises businessmen in tourism and travel, 40 percent of whom feel that the situation will worsen in the months to come. However, 50 percent expect better times.

Although small and medium-size businesses cannot be described as pessimistic, they are not in the best shape either. Forty-six percent think that the outlook will improve, and 54 percent expect no change.

Forty-five percent of farmers think that the situation will improve in the first quarter of 1993, 35 percent that it will remain flat, and 20 percent that it will get worse.

The expectations of exporters have also improved, so much so that at the close of the year two-thirds feel that they will be doing better in the coming months, while one-third expect no change.

One of the main conclusions of the poll this past December is that most businessmen are optimistic about the coming months.

How Do You Think You Will Do This Year? (percent)

Sector	Better	The Same	Worse
Industry	78	18	4
Small/medium industry	46.15	53.8	0
Trade	80	20	0
Exporters	66	34	0
Construction	62.5	37.5	0
Farming	45	35	20
Transport	60	40	0
Travel/tourism	50	10	40

Any Investment Plans for This Year? (percent)

Sector	Yes	No	Depends
Industry	64	28	8
Small/medium industry	53.8	38.4	0
Trade	60	40	0
Exporters	38	31	31
Construction	75	12.5	12.5
Farming	57	41	2
Transport	100	0	0
Travel/tourism	64.72	27.61	6.68

Expectations (percent)

Better	The Same	Worse
60.95	31.03	8

* Exporters Optimistic

93SM0124E Santa Fe de Bogota EL TIEMPO in Spanish 10 Jan 93 p 11B

[Text] **Exporters: High Hopes**

Exporters have begun the year with high hopes. After nine months during which more than half of the exporters polled thought that their situation was not going to improve, the specter of pessimism has finally been banished.

Two-thirds of the exporters are of the opinion that they will do better in the January-March period than in the previous quarter.

Even though there is greater optimism in the sector, just 38 percent of the exporters indicated that they had investment plans for the coming months, and 31 percent tied any investments to considerations such as demand and taxes.

Exporters were hurt in 1992 by the revaluation of the currency (they received fewer pesos per dollar of export), by declining world prices for raw materials, and by the recession in their main markets.

This can be seen in the track record for output and sales, which in general were flat. In the case of production, only 28 percent of the respondents reported increases, while 46 percent said that sales were up.

It bears emphasizing that in no instance was a decline reported.

The revaluation, which was of such concern to them in early 1992, was not even mentioned as one of their main problems. In assessing the performance of the economy in general, however, 8 percent of those polled did feel that the appreciation of our currency represents an obstacle.

Export Sector's Main Problem

Main Problem	Percent
Decline in law and order	22
Low demand	16
Taxes	16
Cost of credit	12
Lack of funds	6
Relations with government agencies	6
Others	22

Investment Plans in the Export Sector

Answer	Percent
Yes	38
No	31
Depends	31

* Agriculture Pessimistic

93SM0124F Santa Fe de Bogota EL TIEMPO in Spanish 10 Jan 93 p 12B

[Text] **Agriculture: 1993 Will Be Worse**

Pessimism is mounting over the worsening lawlessness in the countryside. Investors do not want to keep on risking their capital in agricultural activities.

Not only did farmers give the administration a failing grade for its handling of the economy in 1992 (2.5), but they also think that 1993 will not be a year in which they can recover either.

According to the findings of EL TIEMPO's Economic Opinion Survey for the last quarter of the year, one-fifth of the rural producers say that this year will be worse than last, while 35 percent feel that they will do the same in 1993 as in 1992, in other words, poorly.

Their view does not square with that of the agro-industrialists, who think, in contrast, that 1993 will be relatively better than last year.

The farmers' pessimism is due mainly to the impact of economic liberalization and the renewed outbreak of kidnapping, blackmail, and extortion.

In the farmers' opinion, as long as law and order problems persist, it will be almost impossible to boost rural investment, because businessmen are not willing to risk their capital.

Likewise, estate owners feel that the decontrol of trade is a threat to their crops, since industrialists would rather import raw materials than buy domestic output.

According to the poll, farmers have differing views on the prospects for 1993 and the impact of economic liberalization on their businesses.

They are pessimistic about this year, but only 10 percent of the respondents say that liberalization is hurting them. Forty percent say that free trade makes no difference to them, while the remaining 50 percent regard it as positive.

The survey shows that 24.5 percent of the producers cut their payrolls, 74 percent kept them unchanged, and just 0.5 percent increased them.

Agriculture: How Will You Do in the January-March Quarter?

Answer	Percent
Better	45
The same	35
Worse	20

Agriculture: Production Last Quarter

Answer	Percent
Up	25
Down	5
Flat	70

* Economic Liberalization

93SM0124G Santa Fe de Bogota EL TIEMPO in Spanish 10 Jan 93 p 12 B

[Text] **Fear of Liberalization Is a Thing of the Past**

Most production sectors no longer fear economic liberalization; on the contrary, they feel that it is a positive model. Farmers are no longer that pessimistic about deregulation, even though they and small and medium-size businesses have been the hardest hit.

Fears over the harmful effects of economic liberalization have been dispelled. In contrast to the first poll, in January-March 1992, when the responses reflected uncertainty about the impact of the new economic model, this time most businessmen described it as a plus.

In practice, economic liberalization did not cause the widespread bankruptcies that were feared, and as time has gone by, most sectors have adjusted to the free-market model.

Industry, large-scale industry in particular, has engaged its competitors and feels that imports do not represent a major curb on demand for its goods.

The poll that EL TIEMPO conducted in the last quarter of 1992 shows that 55 percent of the sample sees the new model as a plus. Twenty-eight percent find it immaterial, and just 17 percent feel that it is a negative.

Some things have changed substantially. Half of the businessmen farmers, who did the most complaining last year about the dismantling of protectionism, accept the new system; 40 percent said it made no difference to them, and just 10 percent described it as a minus.

Attitudes were more favorable among big businessmen. Sixty percent said that economic liberalization has been good for them; 19 percent said it made no difference, and 21 percent indicated that it has had an adverse impact.

In the case of small and medium-size business, the number of indifferent responses declined, but the percentage of negative ones rose to 31 percent. Nevertheless, 62 percent described the process as positive.

Impact of Economic Liberalization (percent)

Sector	Positive	Negative	Neutral
Industry	60	21	19
Small/medium industry	30.7	7.7	61.5
Trade	60	20	20
Exporters	30	20	50
Construction	50	12.5	37.5
Farming	50	10	40
Transport	100	0	0
Travel/tourism	30	20	50
Total	51.33	13.9	34.75

* Country's Role in Regional Trade Viewed

93SM0132B Santa Fe de Bogota EL TIEMPO in Spanish 18 Jan 93 p 3B

[Article by Marcela Escobar Ramirez]

[Text] When the government decided to accelerate integration with Venezuela, eliminating binational trade barriers without waiting for the other Andean partners, this move created uncertainty among the business community, who feared the market might be inundated with merchandise from Venezuela.

A year later, the situation is different. While both nations have considerably increased their exports, Colombia has taken greater strides in trade, while Venezuela has concentrated on investment.

Between January and September, sales to Venezuela were $368 million (21.4 percent more than during the same period of 1991). Imports came to only $293 million excluding fuel, and to $306 million with fuel purchases included.

In the Andean region, Colombian businessmen have become the leading trade force with 50 percent of the total Andean market, which as of last September came to $1.367 billion.

Although Colombia's sales to the Andean nations during this period were only 13 percent of its total exports, the significance of this market is that a large part of Colombia's nontraditional exports go to the Andean countries.

The $686 million in sales, 34 percent more than in the same period of 1991, corresponds largely to the dynamism of the Colombian-Venezuelan free trade zone.

Although eliminating tariffs between the two countries has improved trade conditions, a study by Fedesarrollo [Federation for Development] indicates that to date there has been no significant diversification in binational trade.

The two countries' supply of exportable goods remains basically the same, but it is expected that this year new trade patterns will begin to be established when the exclusion lists are dropped.

Andean Trade Without Fuels (Jan - Sep 1992)

Exporting Country	Destination Country*					Andean Group
	Bolivia	Colombia	Ecuador	Peru	Venezuela	
Bolivia	0	18.840	2.430	44.378	4.259	69.907
Colombia	10.638	0	113.465	193.817	368.557	6 86.477
Ecuador	.677	27.780	0	16.669	8.544	53.670
Peru	20.107	59.526	31.476	0	88.103	199.212
Venezuela	.562	293.756	26.991	36.911	0	358.220
Total	31.984	399.902	174.363	291.775	469.463	1,367.487

* In millions of dollars; source: Cartagena Agreement Board.

Change* (Jan - Sep 92/Jan - Sep 91)

Exporting Country	Destination Country*					Andean Group
	Bolivia	Colombia	Ecuador	Peru	Venezuela	
Bolivia	0	31.7	641.0	19.8	145.1	4.8
Colombia	86.4	0	28.1	68.1	21.4	33.8
Ecuador	73.6	28.6	0	-1.0	75.0	22.8
Peru	21.4	-32.8	-19.2	0	36.1	-4.6
Venezuela	14.0	38.5	-0.9	-3.9	0	28.7
Total	38.2	14.3	12.4	40.6	25.2	23.1

* Rate of increase; source: Cartagena Agreement Board.

Prospects

While Colombia's exports to its Andean partners have been quite dynamic, this cannot be attributed to integration treaties, for the free trade zone with Ecuador and Bolivia just took effect in September, so the current statistics do not reflect the impact of this trade agreement.

There is a bilateral treaty in effect with Peru, as Peru was granted a one-year extension to comply with the trade liberalization agreement.

The 28 percent increase in sales to Ecuador during the first nine months of 1992 creates interesting growth prospects for 1993.

The private sector has also begun to promote contacts between the two countries, and trade missions between Colombia and Ecuador are becoming more frequent.

A visit by the Ecuadoran ministers of industry and labor and its Central Bank director is scheduled for February; they will discuss their nation's economic policy with a business group.

One point that had aroused much concern in the business community, but which was resolved last week, is unifying import duties on third countries in the Andean Group.

This ensures that producers in the five countries will operate with the same rules covering access to imported raw materials.

To date, Colombia and Venezuela are the only Andean countries with a common external tariff in effect.

The other countries have been given one year to adapt their rates to the agreed level, which will take effect next September.

* Electrical Sector Expansion Plans Accelerated

93SM0132A Santa Fe de Bogota EL TIEMPO in Spanish 19 Jan 93 p 8A

[Text] The Electrical Sector's Expansion Plan is being accelerated by three years. In an attempt to avert a crisis worse than the current one, it has been decided to promote the thermal power plants in the program, with the first 1,200 MW (1.2 million kilowatts) plants to begin operating in 1995.

With this decision they want to keep Colombia, well established on its economic liberalization course, from being handicapped by poor energy service. At that time "we will no longer be dependent upon water; the problem then would be a physical electricity supply shortage."

The added electricity supply will come from thermal plants, so the government will give priority to the plan's thermal plants.

Minister of Mines Guido Nule Amin explained that thermal plants (which generate energy by converting water into steam and then adding a fuel) are easier to build.

Why Thermal Plants?

The size of these units is generally more manageable than any other option (the biggest project is a 300,000-kW plant), which permits rapid construction without major difficulties. They cost less than building hydroelectric plants. And financing is more feasible for, because of the two factors just cited, private businesses, the FEN [National Energy Finance Company], and other banks might be interested in such projects.

Hydroelectric plants (which generate electricity from falling water) will not be completely neglected, but "thermal plants will be given priority, as they can be ready sooner."

The government will in fact continue to promote the construction of Urra I in Cordoba department, though there have been some financing difficulties.

The coastal departments, which are to provide $135 million under an agreement with the national government, have said they do not have the funds available. Nonetheless, Finance Minister Rudolf Hommes said that if the local governments cannot come up with this funding, the money will be taken from an international loan now awaiting disbursement. This would provide $270 million, as the national government earlier announced funding authorization for $135 million.

About $300 million would still be lacking, and they are awaiting signals from the World Bank, the IDB [Inter-American Development Bank], and commercial banks concerning this funding.

Porce II in Antioquia has the backing of Public Enterprises of Medellin and of that department's business community.

"The problem we face, more than money, is time," said the minister.

In any event, the expansion component which is expected to be accelerated will cover 65 percent of the program.

How Will It Be Done?

There are 13 power plants in all. They will not all be built; private investors and government officials will have to choose from among these options. According to the National Energy Commission, the important thing is that the projects selected provide a capacity of 600 MW from coal, 600 MW from gas, and 300 MW of interconnections with Venezuela.

A number of factors are involved in the selection process: industry's execution capacity, the terms offered by the state for energy sales, and most of all, meeting the two-year deadline that was set after the plan's timeline had been defined: that is, 1995.

Projects To Be Promoted by the Government

Gas Thermal Power Plants	Capacity
Cartagena Power Plant	360 MW
Barranquilla Power Plant	480 MW
Southwest	150 MW
Coal Thermal Power Plants	Capacity
Paipa VI	150 MW
Tasajero II Power Plant	150 MW
Tibita	300 MW
San Jorge	300 MW
Zipa IV	150 MW
Amaga	150 MW
La Loma	300 MW
San Luis	150 MW
Private Projects	Capacity
Mamonal	90 MW
Cementos Caribe	155/255 MW
Asocana	123 MW
New Interconnection with Venezuela	Capacity
Cucuta or Arauca	300 MW

Source: Ministry of Mines

The national government will offer incentives to private investors interested in these projects, so special regulations will be adopted for this private investment.

Some Colombian businessmen have formed companies and proposed other electricity programs offering a total capacity of 481 MW. The following plants have now been approved: Mamonal (90 MW); Ovejas (12 MW); and Santa Ana (11 MW). Asocana (123 MW) and Cementos Caribe (255 MW) will soon be added to the agenda.

* Hommes Discusses Economic Strategy for 1993

93SM0130A Santa Fe de Bogota EL TIEMPO in Spanish 25 Jan 93 p 3A

[Interview with Minister of Finance Rudolf Hommes by Hermogenes Ardila; place and date not given]

[Text] The substantial volume of international credit that the country has not had to negotiate in the past two years will again be a central point in the negotiations with the foreign banks in 1993. It will be necessary to negotiate loans in the amount of $2.7 billion in order to cover the interest and amortization payments falling due in 1995 and 1996.

What is being sought, in practice, is a renegotiation of these debts. In other words, we are seeking to borrow in order to be able to pay.

According to Minister of Finance Rudolf Hommes, things will be much better this year than they were last year. Interest rates will remain low, economic growth will exceed 4.5 percent, and the deficit will be less than 1 percent.

In an interview with EL TIEMPO, Hommes announced the economic strategy for 1993, and he warned, among other things, that there will be more "squeezes."

[Ardila] The year began with an excess of liquidity, through the fault of the Treasury, according to the Emissions Council. What is going to be done?

[Hommes] At the end of each year, one has the choice of paying accounts or not paying them. If one pays them, the means of payment increase, while if one does not, the year ends well, but a higher balance is created for the following period. What we have done is to pay what our plans call for.

[Ardila] But did this not create a monetary problem that we began to feel as of the beginning of the year?

[Hommes] What happened was that no one believed we would be able to do this, because the Treasury here is inefficient, as are all our state institutions. But fortunately, we now have a better organized Treasury, and it was possible to achieve the goal. And during the last week, the Bank of the Republic, in desperation, attempted to absorb all of these resources. However, this

was unnecessary, because they went to the Emissions Council as excess reserves, and had no effect on demand or on inflation.

[Ardila] In any case, the effect will be felt this year. How will this be counteracted?

[Hommes] The truth is this. We are going to operate with two alternatives. If the bank panics and raises interest rates, the stock-market brokers will seize the opportunity to profit, and we will have capital coming in. We are going to be very cautious, and there are no plans to raise the interest rates on open market operations (OMAS). And also, we are going to pursue a more dynamic OMAS policy. The liquidity can be offset by means of the Treasury bonds (TES B) with which a part of the budget will be financed.

[Ardila] How much will be collected through the TES?

[Hommes] The budget shows authorized domestic credit of about 1 trillion pesos. But in reality, only about 300 billion pesos will be needed in the fund. This is very little as compared to last year, when the domestic credit used came to a total of $750 million. We are going to issue them rapidly in order to bring in resources, although for the first half of the year, we have no funding problems.

[Ardila] Is it possible to reduce inflation by 22 percent by means of this strategy?

[Hommes] We think so, particularly since the other macroeconomic indicators are helping us.

[Ardila] In any case, the budget is unbalanced. Where is the money going to come from?

[Hommes] We have decided that the supplementary resources will be obtained from the domestic market, and we estimate that in the course of the year, 300 billion will be obtained, at the most. Another part will come from the excess liquidity of the bodies in the public sector.

[Ardila] These enterprises are complaining about this type of forced investment. Does this not hinder efficiency?

[Hommes] We are going to change the earnings system. The interest rate, which is at 12 percent now, and is from every point of view unjust, will be equal to the market rate. What we have at present is practically a tax. I believe that, thanks to all of these decisions, we will be able to achieve the 1993 goals.

[Ardila] In connection with the fiscal deficit, what has been planned in view of the revised goals?

[Hommes] The Confis [Fiscal Policy Council] has drafted a macroeconomic consistency document, and we expect a deficit that should not exceed 1 percent. And it may possibly be less.

[Ardila] How can this be achieved?

[Hommes] This will not be easy, because there is great pressure from all sides. We are going to make great strides, to be harsh with regard to unnecessary expenditures, and we have been succeeding in this. This government has the best fiscal record I know of in the past 20 years, with the exception of the era of the coffee boom. In 1992, for example, we may possibly have a zero deficit, or even a surplus. The important thing is that we have credibility, and this helps us.

[Ardila] This optimism is in contrast with the concrete facts—in the coffee sector, for example. What are the coffee accounts like in 1993?

[Hommes] Although in recent weeks the foreign price dropped again, the expectations continue to be good. I believe that the National Coffee Fund deficit must be about 80 or 90 billion pesos, with average quotes of $0.80. The deficit last year, net credit excluded, was 271 billion pesos—less than the 330 billion initially expected.

[Ardila] And what will happen if the foreign price does not recover?

[Hommes] We are not going to dig into our pockets. The Federation and the Fund will have to finance the deficit from the sale of assets. Therefore, no effect on finances will be felt.

[Ardila] What will the domestic price policy be?

[Hommes] I would not like to commit myself now to a domestic price policy, because this matter has yet to be discussed. There may be a revision in April, but the adjustment will not be major based on any of the price scenarios being contemplated.

[Ardila] The Medellin Metro is also a factor affecting the deficit goal. What is the government planning with this proposal?

[Hommes] It is true that the Metro will contribute with a deficit of 170 billion pesos, almost half a PIB [gross domestic product] point. The government wants to see the Metro completed, and we do not want to change this program. We will continue to help to obtain financing.

[Ardila] Another subject—foreign credit. What will happen this year?

[Hommes] We are going to try to use as little as possible. Plans call for substituting domestic credit for foreign credit in 1993.

[Ardila] But are the large loan payments of the past going to be made?

[Hommes] It will be necessary to refinance the payments between 1994 and 1998 that are still pending. We must draft a strategy and reach agreement with the banks in order to see how we can refinance these payments.

[Ardila] Why refinance, if previously, in 1992, prepayments were made?

[Hommes] Some payments of about 2.7 billion per year are coming due, and fiscally they cannot be covered.

There are not going to be any domestic resources from which to draw in order to make these payments, and for this reason, we must refinance part of them. This is what we have been doing for some time now.

[Ardila] In terms of exchange, will this decision not affect the country?

[Hommes] The problem is not going to be with the balance of payments, but rather a fiscal problem. This policy has been mitigated somewhat in the past two years by the foreign-exchange income. Negotiations must be launched this year because the bulk of the payments will come due between 1995 and 1996. This year will be crucial in this respect.

[Ardila] In earlier years, a great deal of work was required to obtain major credit allocations. What is the situation now?

[Hommes] The international financial situation is very favorable. It is the strategies that need to be defined, and favorable agreements must be reached. The total public debt of the country comes to $14.001 billion, a figure lower than those for the preceding years.

[Ardila] What is expected on other exchange fronts?

[Hommes] A dollar increase of 25 percent for imports and a recovery of between 8 and 10 percent for exports are expected. In foreign investments, growth will be in the neighborhood of $700 million or $800 million. The reserves will be increased by about $700 million.

Things are really going well, and I believe that with the increase in investment, the economy can easily achieve growth of more than 4.5 percent this year. And where unemployment is concerned, the current rate of 9.7 percent may decline. The beautiful thing this January is that there will be no major changes in the economic sector.

* New Government Minister's Past, Plans Viewed

* Reaction to Appointment

93SM0134A Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Jan 93 p 10A

[Article by Alonso Heredia Duran: "New Government Minister, the 'Cookie' That Caused Indigestion"]

[Excerpt] Santa Fe de Bogota—The appointment of Fabio Villegas Ramirez as minister of government has become a "galleta" [cookie, his nickname] that has caused some indigestion in the administration and colic in many political leaders.

Even leaders of his own party did not make much of an effort to conceal their fear that he was named minister because he has specialized in political partisanship and the effective use of patronage. "He even has a computer that he uses exclusively to enter all patronage moves, even in the departments," they said.

Oddly enough, the statement by the Communist Party of Colombia (PCC) is the softest. It says that La Calle's former minister did things harmful to the interests of the working class, and if "the new minister continues in this direction, and all indications are that he will, his ministry will have very serious consequences for the people."

In contrast, the MSN [National Salvation Movement], through its secretary, Juan Daniel Jaramillo, said that "it notes with deep concern the appointment of Dr. Fabio Villegas.... As secretary general of the Presidency of the Republic, the new minister was the unofficial agent of the most traumatic and painful sign of decadence in Colombia: turning the bureaucracy into a vehicle for buying people off." It adds that from his office Villegas put his mark on tax reform "through the simoniac offer of official positions." It asserts further on that "moreover, the new minister's early and very strong support for the candidacy of Ambassador Ernesto Samper Pizano had been an open secret for some time."

But one of the best known Samper backers, Horacio Serpa Uribe, said that before appointing Villegas, the president should have analyzed the matter with Liberal Party officials, because the absence of such dialogue "is not healthy for the country and lends some weight to the criticisms by presidential hopefuls." Tito Edmundo Rueda, the president of the Senate, said that unless the government is impartial, the party would split in 1994.

Carlos Lemos Simmonds' remark was no surprise: "A well-known dispenser of public posts and an extremely clever manipulator of aid." Enrique Parejo was less harsh: "The appointment of Villegas should not be the major concern; the approach he will take in the ministry should be."

Some political leaders raised other objections to the new minister, such as the fact that he is an economist, not a lawyer. As a result, they say, he will have a great deal of trouble managing the administration's political affairs and will have a particularly hard time dealing with Congress.

But the criticism of Villegas was not unanimous. Some leaders support him, of course. There do not seem to be many of them, though. According to the official himself, 30 of the 361 congressmen support him. One of them is Senator Andres Pastrana, who stated that with his appointment "the president is going to be directly involved in seeking guarantees for the debate that is on the way." The speaker of the Chamber of Representatives, Cesar Perez Garcia, also regards him as an upright and impartial man. [passage omitted]

* Villegas Discusses Plans

93SM0134B Santa Fe de Bogota EL TIEMPO in Spanish 14 Jan 93 p 16A

[Interview with Government Minister Fabio Villegas by Maria Teresa Ronderos in his office at the Secretariat

General of the Presidency, date not given: "Villegas: We Have To Keep on Governing"; first three paragraphs are EL TIEMPO introduction]

[Text] It is not going to be a calm year for the minister of government. He will have to keep the governors committed to the "comprehensive war" that the government has declared against the guerrillas and crime. He has only the three remaining months in the legislative session (March to June) to pass laws that are essential to consolidating the Constitution, such as the parties law, the citizen participation law, and the states of emergency law. And he has to guarantee government impartiality vis-a-vis political campaigns, amid serious challenges.

The 38-year-old economist from Pereyra (who, like his father, is called Galleta [cookie]) has to do all this if he wants Cesar Gaviria's presidential term, to which he is firmly committed, to be a success.

This newspaper interviewed him while he was still in his office as secretary general of the presidency, where he has served since August 1990.

[Ronderos] Why were you appointed minister of government?

[Villegas] That is a good question for the president.

[Ronderos] Why did you accept?

[Villegas] I have felt strongly committed since the campaign to the work that President Gaviria's administration is doing in economics, politics, and law and order policy. The president is now giving me an opportunity to head the political ministry par excellence; this is a great challenge and a great responsibility to the country and to the administration.

[Ronderos] What do you think is the most complicated part of the challenge that the ministry poses?

[Villegas] The basic thing, the thing that most concerns Colombians, is obviously the handling of law and order. The country has been regaining confidence that the criminal organizations operating in Colombia can be defeated. The job then is to give government greater capacity, more teeth, to confront these organizations and to summon up civic solidarity.

[Ronderos] Is there no longer a possibility of finding a peaceful solution under this administration?

[Villegas] The administration was generous to the guerrilla organizations. The dialogue itself was a concession that our civilized society made to several outlaw groups. But experience has shown us that they did not really want peace. What is more, there are major doubts as to whether these groups have a political program. To resume a dialogue under these conditions would be to discredit the dialogue itself.

[Ronderos] How do you think things are going to go for you with Congress in the job of expediting laws that are crucial to the administration?

[Villegas] That is an essential task. I have good relations with Congress. I was elected a representative in 1990, and was recalled. I know the environment and I think that, far from criticizing Congress, we should help strengthen it.

[Ronderos] But there are those who say that Minister De la Calle was not successful in expediting laws that the president regarded as urgent, such as the states of emergency law, in spite of his good relations with the legislators. How did he go wrong?

[Villegas] Well, the legislative session is not over yet, and I do not think that the results can be judged in advance. Congress is taking its time looking at the bills.

[Ronderos] A lot of legislators continue to ask for rake-offs and favors in exchange for supporting administration bills. What do you think about this?

[Villegas] We are going to keep on working in the political debate, in the best sense of the word. We have made headway in removing patronage from politics. We have established accountability for appointments in the persons of the chiefs, directors, or ministers. Each answers for his appointees, regardless of who recommended them. Moreover, after the 1991 reform, the central government can have little influence in regional politics. The governors and mayors appoint most people there independently.

[Ronderos] So where did the legend of your famous computer come from, the one into which you carefully enter all appointments in each department?

[Villegas] What we have sought to do is intervene to correct regional imbalances, to prevent some political group from being excluded from government, even people who are not friends of our administration. The administration strikes a regional balance by dealing with the problem, not by ignoring it. The criticism that the administration is not appointing its friends is more common.

[Ronderos] There has been harsh criticism about possible administration bias vis-a-vis presidential candidates, and your appointment has not stopped it. What is your view?

[Villegas] We have to continue governing. We cannot shut the country down because of campaigns. The administration has certain objectives, certain commitments, and must answer for them. Yet this business of the campaigns must be attended to. We want a transparent, clear political process, without the slightest meddling by the central government. We are interested in giving guarantees to all political sectors and we will examine the mechanisms to make sure that this happens with the parties and the candidates themselves. I will also take up any complaint in this regard.

[Ronderos] Some say that given your friendship with De la Calle and your closeness to him in the administration, it will be hard for you to be impartial.

[Villegas] From a personal standpoint, I have no preference. I have fine friendships with many of the candidates. I will work with all who have served as ministers in this administration, with Samper, with Navarro, and with De la Calle. I have no commitment to, no identification with, any of them. My commitment is to the program of the president's administration.

[Ronderos] Do you have any personal political ambition?

[Villegas] Other than fulfilling my commitments to the administration and to the country, I have no political ambitions.

* Galan: ELN May Participate in 1994 Elections

93SM0131A Santa Fe de Bogota EL TIEMPO in Spanish 22 Jan 93 p 7A

[Text] Gerardo Bermudez Sanchez, better known as Francisco Galan, the National Liberation Army (ELN) leader arrested two months ago, has stated that he continues to act as political spokesman for the guerrilla group from inside prison.

Galan claims that he will continue to be a main player in the search for a negotiated settlement because the group has not taken his role away from him.

This announcement was made yesterday in a bulletin issued by the Communist Party (PC), which reports in detail a conversation between Congressmen Hernan Motta and Manuel Cepeda from the UP [Patriotic Union], Conservative Rafael Serrano Prada, and Gustavo Petro from the AD M-19, on the one hand, and Galan and Javier Humberto Callejas, a member of the guerrilla band of Francisco Caraballo, arrested two weeks ago in Cartagena.

According to the bulletin, Galan "is in good health. However, he is being held in absolute isolation and denied any contact with political prisoners at Model Prison."

In the course of the nearly three-hour conversation, he spoke of the need to form a "very broad bloc of pluralist forces in the country to fight President Gaviria's neoliberal economic policy, reject faceless justice, and find a solution to the confrontation."

In addition, the congressmen told EL TIEMPO, the prisoner said that no one in the country, not even the ELN, has any formula for peace at the present time, and that it is therefore necessary to appeal to all political, social, and economic forces in the country.

Galan said the guerrilla organization approved the decision at a summit conference held last year. He also revealed that the ELN is considering the possibility of participating in the 1994 elections.

This is the first time that participation in the election debate has been proposed in the movement of Manuel Perez and Nicolas Rodriguez Bautista. In 1990, when the group made the decision to talk with the National Government in Caracas, it never agreed publicly to participate in elections for the Constituent Assembly, which it did in fact do.

ELN members such as Jacinto Ruiz, who favored participation in the elections, were rejected by the leadership. Along with other ideological causes, this created a split in the organization that led to the formation of the Socialist Renewal Faction (CRS).

In addition, a few years ago, the ELN "prohibited" holding elections in its areas of influence. In some cases, it sabotaged them and blocked the entry of voting councils.

Despite the congressmen's report, other sources said that due to Galan's isolation, it is quite doubtful that he could effectively continue to act as a public spokesman for the ELN and that he has very likely assumed the role on his own in order not to lose all credibility with his organization.

The bulletin published yesterday also states that both Galan and Callejas are asking authorities "to relax the absolute isolation in which they are being held and that they be allowed to hold talks with other political prisoners at Model Prison."

* New Law To Reduce Government Corruption

93SM0142A Santa Fe de Bogota EL ESPECTADOR in Spanish 27 Jan 93 p 9A

[Text] *All the state's assets will have to be insured. Gaviria announces a package of measures against those defrauding the treasury. The tax law is approved.*

Santa Fe de Bogota—Corruption, which is the worst scourge in Colombia's public administration, costing the taxpayers nearly 10 billion pesos annually, will be fought using all means. Moreover, there will be a reinforcement of the surveillance facilities, to prevent the squandering of funds and the illicit amassment of wealth.

All sections of the fiscal control agencies affiliated with the Office of the Comptroller General of the Republic will retain Judicial Police functions. On the basis of this authority, they may impose penalties and request the immediate suspension of employees on whom investigations are being conducted for their handling of state monies.

These powers were included in the new fiscal control system, the law on which was approved by President Cesar Gaviria yesterday.

The new statute orders that all of the state's assets must be covered by insurance policies. With this latter procedure, it is being attempted to reduce the annual losses that the nation is forced to assume because of the theft or destruction of vehicles, equipment, and other assets owned by it.

At present, most of the public administration's real estate, equipment, and automotive vehicles lack sufficient coverage.

Investigations that have been conducted show that this is due largely to the negligence of administrators, who fail to take proper care of the enterprises and entities for which they are responsible.

The head of state, for his part, asserted that his administration intends to crack down on corrupt officials with the full brunt of the law.

He announced that, during the remainder of his government term, special measures would be adopted to prosecute exhaustively those defrauding the treasury, and consequently, to punish them.

"We are fed up with them," declared the chief executive. He then underscored the effort to instill morality that is under way in the Comptroller's Office, the Prosecutor General's Office, the Treasury Inspector's Office, and the Attorney General's Office.

He commented: "Despite the progress we have made against corrupt individuals, we are not satisfied, and we shall continue until that malignant tumor is eradicated."

In his remarks, he reiterated that those who appropriate for themselves the revenues paid by the taxpayers would be identified and severely punished. He stated that this money "must be used to improve the society's living conditions."

Fraud

The comptroller general of the republic, Manuel Francisco Becerra Barney, explained that the new fiscal control law will allow for a more expeditious surveillance over public management. It will also offer greater regional autonomy for the adoption of measures making it possible to counteract corruption and mismanagement of the state's monies.

In this regard, he called for the citizens' cooperation in reporting civil servants who demand extra payments from taxpayers, or from the public in general, for the provision of services or for procedural formalities.

He revealed that 55 billion pesos have been "filched" as a result of acts by unscrupulous civil servants and corruption in the public sector.

The new fiscal law will not only facilitate the modernization of control over public monies, but will also hasten the procedures for suspending or dismissing employees who prove to be implicated in illicit activities.

* Misuse of Funds at Colpuertos Investigated

93SM0142B Santa Fe de Bogota EL TIEMPO in Spanish 27 Jan 93 p 10A

[Text] *Administrative disorder and bad faith among the employees of the Colombian Port Enterprise [Colpuertos] have caused the state losses amounting to 7.8 billion pesos.*

Inefficiency, negligence, and administrative disorder are the main afflictions prevailing in the Colombian Port Enterprise. The Office of the Comptroller General of the Republic has discovered irregularities in the four state ports, entailing a loss of nearly 7.8 billion pesos.

Investigators from the Comptroller's Office discovered in all the maritime terminals controlled by Colpuertos incidents such as the forging of documents, fraud, unconstitutional assistance, repayment of benefits, pay for time not worked, retirement for nonexistent disability, repair of vehicles not owned by the enterprise, and larceny, among other irregularities.

The most deplorable cases appear in the port of Buenaventura, where a shortage of public funds totaling nearly 4.981 billion pesos was discovered. For example, payment of the sum of 8.5 million pesos in benefits to Hernando Burgues was ordered, without any justification.

Furthermore, in the Pacific port 16 bills were found to have been paid by the terminal, amounting to over 6 million pesos: a sum used to pay for the maintenance and repair of vehicles not belonging to Colpuertos.

Similarly, an inventory of goods in the general warehouse revealed missing goods worth 581 million pesos.

On the other hand, the Comptroller's Office investigators reached the conclusion that Colpuertos is not only losing funds that it had, but is also failing to receive money that is due to it. Lack of administrative management and neglect have resulted in a failure to bill and to process accounts receivable, equivalent to a sum of 27 million pesos.

There has also been mismanagement in the handling of pensions. Colpuertos does not make a timely collection of pension installments from other entities. Hence, it has had to assume pension charges not incumbent on it. As a result, there is a shortage of public funds totaling 3.782 billion pesos, for which Daniel Domingo Bustos, industrial relations director at the Buenaventura Terminal from 1988 to 1990, will have to answer.

Another inconsistency disclosed by the investigations relates to the fact that, in many instances, Colpuertos granted the right, and ordered payment of a retirement pension without ascertaining the retiring employee's time in service. The documents submitted were false.

More Cases

At the Barranquilla Terminal, shortages were detected in the balance sheets totaling over 1.115 billion pesos. These amounts were distributed improperly as assistance or contributions. Moroever, there are 956 million pesos representing a note, the collection on which is dubious.

Francisco de Vivo Nucci, ex-manager of the terminal, and Nestor Trivino, the disbursing cashier, must answer to the state for 124 million pesos. The officials authorized payment of assistance, an act in violation of the Constitution, which prohibits public entities from paying for any kind of contribution or donation.

In this connection, the terminal's ex-manager claimed that he had, in fact, made a series of payments for assistance that was included in the labor contract, but had done so only upon receiving authorization from the general management, through a circular memorandum. He said that he had previously received another circular memorandum ordering him to stop payment because, at that time, there was doubt about the scope of the constitutional ruling prohibiting assistance.

As he was told, the latter circular memorandum contained an interpretation of that ruling. They informed him that assistance intended to benefit the worker directly, such as payments to physicians, is constitutional. He added that he had made these payments following all the rules of procedure.

In the case of the port of Cartagena, the shortages discovered amount to over 1.116 billion pesos. Mismanagement has been underscored, such as the loss of invoices and payments of medical bills without the pertinent supporting evidence.

At the Colpuertos collections office in Cartagena, for example, invoices totaling 146 million pesos were lost. No administrative nor legal action aimed at recovering those documents has been taken to date.

As for the improper payments of medical bills, the investigators discovered that, in the medical office, there is no evidence of treatment given before and after surgical procedures allegedly performed. No notes are entered in the patients' clinical histories.

Prominent in the case of the Santa Marta Terminal is the payment of assistance in the amount of 229 million pesos. Answerable for this sum are Edgardo Martinez Pareja, ex-general manager of Colpuertos; Alonso Lucio Escobar, adviser to the management; and Luis Dario Escruceria, general secretary, among others.

As a result of the irregularities, the Comptroller's Office will initiate the pertinent fiscal action against those responsible for the handling of these government monies. The facts were also turned over to the Office of the Attorney General of the Nation, and to the Prosecutor General's Office, so that they might determine disciplinary and criminal liability.

* Prosecutor's Office Lacks Funding for Programs

93SM0141A Santa Fe de Bogota EL TIEMPO in Spanish 27 Jan 93 p 3A

[Article by staff writer Camilo Chaparro]

[Text] *It needs funds to train military personnel as members of the Judicial Police, to create 28 antikidnapping units, to protect victims and witnesses, and to meet its entire payroll for 1993.*

At present, the Office of the Prosecutor General is not merely seeking evidence against the criminal organizations that are causing upheaval in Colombia.

The country's leading investigative agency is also engaged in a delicate mission which, if unsuccessful, could leave it in serious straits: it is looking for 20 billion pesos.

The establishment of antikidnapping prosecutors' offices, the the training of members of the Military Forces [FFMM] for Judicial Police units, and the victim and witness protection program are at risk for lack of money.

According to the deputy prosecutor general, Francisco Jose Sintura, with the country's law and order situation becoming more complicated, the government has assigned that investigative agency many functions that have not been budgeted with funding.

Sintura claims: "The government has good intentions of helping to resolve the money shortage. It realizes that the Prosecutor General's Office will not be able to operate if we are not given the funds that we require."

The urgent budgetary requirements of the Prosecutor General's Office are related to different projects: First, there is the need for sufficient funding to appoint 25 prosecutors and 25 technicians, who will be in charge of training members of the Military Forces to perform Judicial Police duties throughout the country.

These 50 new employees of the Prosecutor General's Office will (according to the decrees on internal disturbances) be responsible for directing and coordinating the FFMM investigative work in the law and order zones.

The figures from the Prosecutor General's Office indicate that over 600 million pesos are required annually to carry out this task.

Another priority is the procurement of the funds needed to create the Special Anti-Kidnapping Prosecutors' Units.

The antikidnapping law, approved by President Cesar Gaviria 15 days ago, stipulated that the Prosecutor General's Office must form elite corps of investigators specializing in the battle against this illicit activity.

The Prosecutor General's Office will also be responsible for monitoring banking activity and turnovers of the assets of relatives of abducted persons, to prevent the payment of ransom.

Sintura remarks: "To implement this law, it is not only necessary to appoint prosecutors who are specialists in kidnapping cases, but also to name investigators assigned to discharge this function."

The plan prepared by the Prosecutor General's Office to meet the obligations imposed on it by the antikidnapping law calls for the creation of 28 of those units.

Each antikidnapping unit will consist of two prosecutors, two judicial technicians, three members of the Technical

Corps as backup, two investigators, two judicial experts, and one university professional.

Although the Prosecutor General's Office has not yet completed the specific calculations to project how much money it will need to implement this law, for the present it is estimated that at least 2,268,320,565 pesos will be required annually.

Nevertheless, although the Prosecutor General's Office currently lacks funds for initiating its antikidnapping functions, it has already started training employees abroad.

Today, Wednesday, a group of investigators from the Prosecutor General's Office is leaving for Italy to receive training in the battle against terrorism and kidnapping, as well as in victim protection strategies.

The third project involved in the search for funds is the Victim and Witness Protection Program.

The statistics indicate that, every year, it costs the state 60 million pesos to protect one witness and four of his family members, without taking them out of the country or changing their identity.

The deputy prosecutor general claims: "For the time being, we have budgeted funds to protect 20 witnesses and their respective families. We require 1.2 billion pesos for this."

He notes that this sum will be insufficient if there is an increase in the number of witnesses and victims needing protection. And the Prosecutor General's Office anticipates that this will be the case within a few days.

International Aid

The deputy prosecutor general also maintains that, in some cases, the moving of witnesses abroad will be achieved through international cooperation.

He adds: "For example, if Guatemala needs to protect two witnesses, there might be a situation whereby they would be sent to Colombia. We would assume responsibility for paying the expenses of those two persons, and would send two national witnesses to that country, so that it could do the same."

To date, the Prosecutor General's Office has succeeded in sending abroad 15 ex-militants of criminal organizations, who are now cooperating by providing information.

The fourth project of the Prosecutor General's Office requires finding additional budgetary funds totaling 14 billion pesos for personnel expenses: that is, to meet the payroll and to cover social benefits.

"We have funds for personnel expenses until October. For the remainder of the year we need 14 billion pesos, so as to be able to pay our personnel without any obstacle."

The Prosecutor General's Office was allocated 65 billion pesos to pay salaries and benefits, but its liabilities amount to 79 billion.

The deputy prosecutor general remarks: "The discrepancy is due to the fact that a budget was projected without exact information on how high salary increases would go."

According to Sintura, the shortage of 14 billion pesos has not been evident yet, because the Prosecutor General's Office has 1,800 vacant slots that it has not filled.

"This will become complicated in the future, because we think that the Prosecutor General's Office will have to fill those vacancies within four months at the most. We have not assigned anyone to them for the present, because we have no physical space to accommodate them."

The official claims that most of these positions will be held by sectional prosecutors, investigators, members of the Judicial Police, and administrative personnel.

As for international assistance, Sintura reports that there is currently a sum of 150,000 pounds sterling (approximately 200 million pesos), donated by the British Embassy.

The high-ranking official comments: "We have received much material aid and many training courses from countries such as the United States, Spain, and Italy. We are now waiting for the response to a proposal that we made to the Dublin Group for training investigators in the removal of corpses, and in criminal activity occurring in rural areas."

[Box, p 3A]

Making the Prosecutor General's Office Successful, a Priority

Since last year, various sectors of the Judicial Branch have been requesting real, effective support for making the National Prosecutor General's Office successful.

For example, the president of the Supreme Court of Justice, Pedro Lafont Pianetta, has declared that, if the National Government wants an operative Prosecutor General's Office, it must furnish that entity with all the financial and technical assistance that it requires.

The magistrate has also claimed that, to date, the government's backing has been reflected more in good intentions than in anything else.

In his view, if it is to train genuine investigators, the state will have to provide all the facilities and purchase the necessary technology.

On the other hand, a high-ranking Army official told EL TIEMPO yesterday that the Judicial Police units within the Military Forces are ready to start operating now, but that they lack a budget.

According to the official, the military who will join that institution's Judicial Technical Corps are receiving training from the Prosecutor General's Office. However, funds are required for the purchase of the implements and equipment for collecting evidence and removing corpses.

The Judicial Police units in the Military Forces were formed by the National Prosecutor General's Office six months ago, with the use of specialized courses.

Every military garrison in the country will have a Judicial Technical Corps. However, military sources claimed that each unit requires for its operation a combination of resources that are nonexistent, owing to the lack of budgetary funding.

This newspaper, for its part, talked with officials from the Free Country foundation, who declared that it would be senseless for the entire effort to be wasted for lack of financial resources (now that there is an antikidnapping law and an agency such as the Prosecutor General's Office that has restored the justice system's credibility).

Ecuador

Duran-Ballen Surgery Called 'Successful'

PA2502145493 Quito Voz de los Andes in Spanish 1200 GMT 25 Feb 93

[Text] On 24 February, President Sixto Duran-Ballen underwent spinal surgery. Duran-Ballen, 71, who had been suffering from back pain, traveled to Washington for a medical examination, after which doctors decided he required surgery. The operation, described as a decompressive laminectomy [laminectomia decomprensiva], lasted three hours and was performed by Neurosurgeon Arthur Cowin at the Sibley Hospital in Washington. He will be hospitalized for one week for partial recovery.

Acting President Alberto Dahik confirmed the operation was successful:

[Begin Dahik recording] Thank God, the operation was very successful, according to the initial reports we have received from his relatives and from the Ecuadoran ambassador in Washington. Although we are waiting for the official medical report, the initial statement by the doctors was that the operation was clean and was performed as planned. The president's healthy physical condition in general and his strong vital signs aided in the success of the operation, and it was not necessary to fuse his vertebrae.

As I said, the operation was very successful, for which all Ecuadorans are very happy. We thank God, the doctors, and all those who contributed to the success of the operation and to the president's prompt and total recovery. [end recording]

Bomb Explodes at Finance Ministry; N[illegible]

PA2502184693 Mexico City NOTIMEX 1735 GMT 25 Feb 93

[Text] Quito, 25 Feb (NOTIMEX)—A [illegible]owered explosive" device went off in the pre-dawn hours of 25 February at a Finance Ministry office in this capital, a Finance Ministry spokesman has reported. The explosion did not cause casualties but caused considerable damage, the source said.

The source told NOTIMEX that the bomb destroyed the facade of the Finance Ministry Revenue Office, a six-story building in downtown Quito.

The source indicated that the explosive was hurled at the entrance of the building from a moving vehicle, adding that there were no threats or warnings prior to the incident.

The Finance Ministry spokesman added that the attack did not cause casualties. He said that Ministry officials on the morning of 25 February assessed the condition of the building to quantify the "severe" damage.

Agents of the Reaction and Rescue Team (GIR), an elite battalion of the National Police, have been working since the early morning hours of 25 February at the site of the attack.

According to a preliminary police report, no one has yet claimed responsibility for the attack.

Paraguay

U.S. Asked To 'Repair' Damage Caused By Torture

PY2602000693 Asuncion Radio Primero de Marzo in Spanish 2100 GMT 25 Feb 93

[Excerpt] A request has been made for the U.S. Government to assume its share of responsibility for the tortures with electric devices.

Dr. Martin Almada, a former political prisoner whose wife died as a result of the psychological torture to which she was subjected, has said it is no longer possible to deny that the United States, through its agents, participated in the repression.

Dr. Almada argued that with the discovery of the terror archives, this was demonstrated. He indicated that the U.S. Government must repair the damage caused to many people.

Dr. Almada suggested that the U.S. Government allocate funds to help those who were tortured during General Alfredo Stroessner's era. [passage omitted]

Foreign Ministry Asks Brazil To Pay Itaipu Debt

PY2502164493 Asuncion ABC COLOR in Spanish 23 Feb 93 p 13

[Text] Foreign Minister Alexis Frutos Vaesken reported yesterday that the Foreign Ministry had begun contacts with its Brazilian counterpart to get the Brazilian companies Furnas [Furnas Electric Power Plants, Inc.] and Eletrosul [Southern Electric Power Plants] to pay their debt to the Itaipu Binational Enterprise. The debt owed by the two companies to Itaipu amounted to more than $4 billion by 31 December 1992. By January the situation of Itaipu became

worse, as it received a real income of only $26 million while the average monthly billing is $170 million.

The chronic delay in payments by the Brazilian electric companies is pushing the Paraguayan-Brazilian Itaipu enterprise to a position in which it cannot meet its commitments. This is the conclusion of the note sent by the Ministry of Public Works and Communications to the Foreign Ministry on 11 February 1993.

Frutos Vaesken said that when the note from the Ministry of Public Works and Communications describing the critical financial situation of Itaipu was received, "we got in contact with the Paraguayan ambassador in Brazil (Luis Maria Ramirez Boettner)."

According to the information available to Frutos, the Paraguayan ambassador held meetings with high Brazilian presidential officials and with the Brazilian energy minister. An answer from the Paraguayan ambassador on his contacts in Brazil is expected either today or tomorrow.

Frutos also said that the note sent by the Public Works and Communications Ministry (based on a report made by Miguel Luciano Jimenez, Paraguayan director of Itaipu Binational) was also submitted to Brazilian Ambassador Carlos Alves de Souza.

Frutos said: "What Itaipu wants is to have the debt paid (the debt of the two Brazilian electrical companies is $4 billion)," adding that it is also known that the debt cannot be paid immediately, but that it should at least be paid regularly.

Frutos added that the delayed payment is causing a budget imbalance in Paraguay, because as was already mentioned 20 percent of the administrative spending programmed for this year depends on the payment of royalties and compensations.

In a note dated 11 February, the Ministry of Mines and Energy vice minister warned the head of Paraguayan diplomacy about "the worsening of the difficult financial situation" of the binational organization.

In December 1992 the organization's real income amounted to only $53.1 million, which is the reason it paid our country only $17 million.

The crisis worsened in January, when Itaipu's real income dropped to $26 million. In order to give a clear picture of the situation, the vice minister of mines and energy said that Itaipu's average monthly sales amount to $170 million, and that last year's average monthly income was $75 million. "With such a low income as the one obtained in January, Itaipu could not honor its obligations, thus considerably increasing its debts. On 31 January 1993 the debts owed to Paraguayan suppliers and contractors amounted to $40 million."

"Consequently," the note says, "in January 1993 Itaipu could make neither the $16.3 million payment to Paraguay corresponding to that month, nor the overdue $6.3 million payment of December 1992."

"We deem it essential that Your Excellency continue to take all the steps necessary before Brazilian Government organs in order to resolve this difficult crisis, which continues to worsen, so that the Itaipu Treaty provisions may be complied with," the ministry note concludes.

With this conduct Brazil is violating the treaty, causing not only a financial imbalance to the binational institution but also to the Paraguayan state, whose budget relies heavily on the royalties that it is legally entitled to receive from Itaipu.

President Blamed for Colorado Party Crisis

PY2502214593 Asuncion ULTIMA HORA in Spanish 24 Feb 93 p 5

[Text] Asked his opinion on the pro-government Colorado Party crisis, retired General Dionisio Cabello said: "President Rodriguez must be blamed for the current crisis within the Colorado Party. Some people blame other military men, but Armed Forces members merely receive orders, and he (Rodriguez) is the commander in chief. Therefore I have no doubt whatsoever in saying that Rodriguez does not want to accept the legitimacy of Argana's victory."

Cabello stated: "The only solution to the Colorado Party crisis is through respecting the truth, which means respecting the popular will, which is the base of democracy. It is clear that Argana (Luis Maria) succeeded in the Colorado Party primaries, and the local and international communities are aware about it. Only the truth can achieve fraternity and find the democratic political solution that the people really expect." Cabello, a former Air Force commander, was removed from his post by Rodriguez. He was held at the Presidential Guard Regiment headquarters and then retired.

Cabello was asked about the statement by Justice Minister Oscar Paciello, who compared the current Colorado Party crisis with that of the Liberal Party in the 1920's and which ended in a civil war. In a threatening tone Paciello had said: "Which do you want? A civil war or democracy?" Cabello replied that one has to consider the person responsible for the statement. He added: "Those words must be completely ignored; they must not be given any importance."

Cabello said: "Armed Forces members belong to both the Colorado and Liberal Parties. But there are undoubtedly more Colorado Party supporters because there was a time when those who wanted to join the Armed Forces were forced to join the pro-government party. Some reportedly joined by conviction while others were forced."

Cabello also replied on a possible Military Board that will take power if the May presidential elections are suspended. He said: "Any attempt to impose a Military Board will violate the Constitution. If this happens, anything can happen. I do not think this will happen."

Investigative Police Archives Reportedly Burned

PY2502230193 Asuncion ULTIMA HORA in Spanish 25 Feb 93 p 9

[Text] Inspector General Santiago Flores, the Investigative Police chief, reportedly issued orders to burn the Investigative Police archives kept at the Investigative Police headquarters about one week after the discovery of documents compromising the activities of Stroessner's political police. This was reported to the Congressional Investigative Committee on Corruption.

Nine days after the seizure of documents from the secret police archives at the Production Department in Lambare, Inspector General Santiago Flores issued orders to burn the archives kept at the Investigative Police headquarters in our capital. The burning of these documents is a crime because it represents the destruction of evidence of criminal actions carried out by the police.

This was reported by Deputy Francisco De Vargas, a member of the committee, who received a report on the burning of documents that tell the story of the harassment of democratic fighters and political activists during General Stroessner's regime, many of whom are missing.

De Vargas indicated: "On orders of the Investigative Police chief, the archives kept there were quickly burned barely nine days after part of these archives were discovered in Lambare." According to the report, NCO's Eusebio Fleitas, Leoncio Barzala, and Ceballos did the burning. Another official, named Alvarez, also helped in the burning.

De Vargas emphasized: "The burning of these archives is a crime." He stated that both the Investigative Police chief and the policemen involved in the burning might be sent to prison over this incident.

The discovery of part of the Investigative Police archives occurred on 22 December 1992 in Lambare at the Police Production Department premises.

On that occasion, the Investigative Police chief pointed out that he was unaware of the existence in that place of documents like those discovered and that he told the judge, who asked him about the documents of Almada [not further identified], that he did not have them.

According to the report filed with the committee, Inspector Santiago Flores ordered, barely one week after the discovery, the burning all the documents remaining at the Investigative Police archives at the Investigative Police Department headquarters near the intersection of Azara Street and Estados Unidos Street.

Inspector Flores, Surprised

Having heard the report filed against him, the Investigative Police chief, who allegedly had issued orders to destroy a significant portion of the "terror archives," talked to ULTIMA HORA. He expressed surprise over the new charges.

Inspector General Santiago Flores said: "I have nothing to do with this. I told the judge everything I had to report." Concerning the possibility that he had authorized, as people say, the burning of compromising documents, he responded: "No." He added: "The only documents that were removed, shortly after I was installed as Investigative Police chief, belonged to the Registry of Foreigners. These documents were taken to the Identification Department (at the intersection of Boggiani Avenue and Denis Roa Street) on orders issued by then Police Chief General Sanchez."

Federation Proposes Renegotiating Asuncion Treaty

PY2602010493 Asuncion ULTIMA HORA in Spanish 25 Feb 93 p 10

[Text] Alberto Spinzi, president of the Production, Industry, and Commerce Federation [Feprinco], has viewed the need to renegotiate the Asuntion Treaty, thus giving Paraguay preferential treatment in view of its relatively small economic development and landlocked situation. Spinzi added that the statistics tax contradicts the integrationist spirit and that there is no possibility of solving the problem at the level at which it is being dealt with. He said that to find a definite solution to the problem, the issue must be discussed in a meeting between the Paraguayan and Argentine presidents. Spinzi said that the conditions in which the Common Market of the South [Mercosur] is being implemented, Paraguay will hardly have the chance to develop as it was expected to when the possibilities of joining Mercosur were considered.

Spinzi added: "Paraguay must be given preferential treatment in Mercosur in view of its relatively small economic development and landlocked situation. These disadvantages must be compensated for."

Asked whether it was necessary to renegotiate the Asuncion Treaty, he said: "I believe so. We must negotiate preferential treatment for Paraguay and must also reschedule the program implementation deadlines. These deadlines are about to be met and, compared to the other Mercosur member countries, Paraguay already is falling behind."

He insisted that Paraguay must negotiate preferential treatment like that in the EEC. He explained that Spain received credits and technological help to reorganize its economy. Only after that did Spain join the integrationist agreement, just like Portugal.

"Countries with less development must receive specific and special treatment. As it is now occurring in the Mercosur, the treatment is unequal and is a detriment to Paraguay's interests. An example of that is the statistics tax levied by Argentina on Paraguayan exports," Spinzi pointed out.

Statistics Tax

Spinzi said that the statistics tax goes against the integrationist spirit. He did not support the idea of implementing commercial sanctions against Argentina,

forcing it to review the obstacles being created for Paraguayan exports. He added that exports of cement, steel, beef, and agricultural products have decreased considerably as a result of the statistics tax.

Peru

Future U.S. Ambassador, Peruvian Image Abroad Viewed

PY2602024893 Lima EXPRESO in Spanish 13 Feb 93 p A2

[Article by Manuel D'Ornellas: "Peru is Not Haiti"]

[Text] Most probably, President Bill Clinton will ratify career diplomat Alvin Adams as the new U.S. ambassador to Peru, just as the U.S. State Department suggested the day before yesterday. Most probably, the U.S. Congress will confirm his appointment. Soon we will have in Lima the man who until recently has been the U.S. representative to Haiti.

It is not coincidental then that Adams should be transferred from Port-au-Prince to Lima. Haiti is permanently associated with Peru in the U.S. media and within the pressure groups with interests in Latin America. This is because the Haitian military men overthrew their constitutional president, Father Jean Bertrand Aristide, and because Peruvian President Alberto Fujimori closed down congress on 5 April 1992.

It is true that Aristide remains unable to return to his country, but in Peru we already have elected a new legislative branch which also has the faculties of a constituent assembly. The institutional similarity between the two countries ceased to exist last 22 November [when the Democratic Constituent Congress members were elected].

But most of the U.S. public is unaware of this fact, including many high-ranking U.S. bureaucrats who live in Washington, not to meniton the congressmen who traditionally are unfamiliar with Latin American events. Besides, here in Peru we are enjoying the same freedoms we had during constitutional administrations, a situation which the Haitian coupists cannot boast about.

We hope that Ambassador Adams will become acquainted with the real Peruvian situation before he arrives in Lima and that the diplomats currently serving in our country will keep the U.S. Government appropriately and correctly informed.

Certainly, the inclination to compare Haiti with Peru—insistently mentioned by Peruvians who live and write abroad and whose names are not worth recalling today—did not begin with the brand new Clinton administration. It must not be forgotten that Ambassador Adams was initially appointed by the Bush administration (an EXPRESO scoop, by the way). The predication of our self- banished writers has made a deep impression in the political establishment [preceding word in English] of the U.S. capital.

Notwithstanding the arrival of Adams, the Fujimori administration must seriously begin to think about how to change its image abroad, besides—of course—behaving democratically at all levels, as stated in the editorial published today by this daily. To do nothing is the worst policy.

Montesinos Accused of Involvement in Espionage Case

PY2602015893 Lima CARETAS in Spanish 18 Feb 93 p 16

[From the "Undercurrent" column]

[Text] The news came from Washington. A mid-level official from the U.S. Embassy in Lima named Christopher Hamilton, assistant to the U.S. Embassy military attache and the husband of the U.S. consul in Lima, in 1991 passed Peruvian military secrets to then Ecuadoran Ambassador to Peru Miguel Roca Soria.

During a 15-minute questioning session in a federal court in Alexandria, Virginia, Hamilton declared himself guilty and said that he had leaked the secrets to prevent a war (the documents described the lack of operational capacity of the Peruvian forces). His sentence is expected to be issued in April.

The Lima magazine SI published an article with scoops, including an exclusive photograph of Hamilton. The magazine asks: How did Hamilton obtain internal, top secret documents from the Peruvian Armed Forces joint command?

CARETAS has found a couple of new elements that may considerably complicate this story further:

The FBI found out about Hamilton in Lima. Each U.S. Embassy has a couple of FBI agents who are equivalent to our Technical Police and who operate inside the diplomatic mission as if they were in U.S. territory. The FBI is different from the CIA, which operates abroad, and different from the DIA [Defense Inelligence Agency], which is military intelligence, or the DEA, which specializes in drugs. The fact that Hamilton was found out by the FBI may be linked to a possible exchange of information among the other intelligence services. It's the same the world over.

On 15 February, during the trial against the military officers who staged a failed coup attempt last 13 November in the Bolivar military unit, lawyer Enrique Gutierrez asked one of the accused officers, General Luis Soriano Morgan: "Do you know whether former Captain Vladimiro Montesinos was an adviser to the Ecuadoran Army?"

In response to such a question, Gen. Soriano Morgan raised very serious charges. In a document he wrote, a copy of which was given to CARETAS, Soriano Morgan said during the closed court session that "it was learned

that he had been counseling high-ranking Ecuadoran officers. He was not sentenced for this crime. In a trial, the Peruvian Army would have had to provide evidence that would have unveiled military secrets." Soriano Morgan adds: "I believe that this recent espionage case involving a U.S. Embassy official originated on the basic information that Montesinos had leaked. It is not a coincidence that the American spy gave Ecuador secret information about Peru..."

In conclusion, why didn't the SIN [National Intelligence Service] investigate the American official? Why didn't it detect him? CARETAS does not endorse the statements made by Soriano Morgan, but it does admit that they are disquieting.

Fujimori on IMF Postponement of Funding

PA2502224493 Lima Global de Television Network in Spanish 0000 GMT 25 Feb 93

[Text] President Alberto Fujimori said that the postponement by the IMF on the approval of the economic program is temporary and transitory. He said that in three weeks the integration would be achieved. During a news conference, the president stressed that there are no human rights violations in Peru, as some Peruvian traitors abroad have asserted. He invited all government and nongovernment organizations to visit Peru and to check for the existence of any policy condoning the systematic violation of human rights.

President Fujimori addressed four issues at the news conference, which was called one day after it was confirmed that in three weeks the IMF would only approve the Peruvian economic program. The first point he discussed concerned the questioning of the Peruvian human rights situation by diverse international organizations as well as by governments, such as that of the United States.

[Begin Fujimori recording] Gentlemen, this means that the nation is open to any organization, government or not, to come to Peru and view the human rights issue. At that time, certain questions will have to be answered. The first concerns a rumor that some people are attempting to be spread abroad. First question: Is there a dirty war going on in Peru? How did we achieve the capture of Abimael Guzman and his henchmen, of 95 percent of Shining Path and of the Tupac Amaru Revolutionary Movement's (MRTA) top brass, and of 2,000—hear this well—at least 2,000 of their leaders at all levels, after 5 April. How was this done? Has this been achieved through killing and torturing them?

All of this has been done through intelligence work. The Shining Path and MRTA apparatus have been practically dismantled. This has only been achieved through the use of intelligence. This is what has allowed us, within the framework of respect for human rights, to undertake this road toward pacification. [end recording]

With regard to charges made by the Red Cross after disclosing an interview between a Red Cross member and Abimael Guzman, Fujimori said that the case will be investigated by General Ketin Vidal, chief of the National Police Inspector General's Office. When discussing the reintegration issue, Fujimori said that the arrears in payment with the World Bank total $1 billion, while those with the IMF total $800 million. These are the results of delays incurred by previous governments.

[Begin Fujimori recording] To achieve this we require the cooperation of other nations, the World Bank, and the IMF. Both international financial institutions totally back us up because we have met all the goals and obligations. To close this gap, the United States, and possibly the Japan's EXIM Bank, will provide the $1 billion and the $800 million in cash. This will erase the overdue debt from the World Bank's books and will erase the delays from the IMF's books. At that time, Peru will become eligible, or rather, it will be up to date with the international institutions.

Of course they are not going to give us this money as a gift. We will be granted very long terms to pay back the $1.8 billion in loans. With this, we can achieve reintegration. [end recording]

The Peruvian president stressed that the economic program would not undergo any changes. He added that the Central Reserve Bank's reserves would not be used, under any circumstances, to pay back the debt. President Fujimori confirmed the granting of a bonus to government workers for school expenses. This bonus will range from 80 to 150 new soles.

[Begin Fujimori recording] The government will grant a bonus for school expenses during these difficult months of registration. The sum will probably be between 80 and 150 new soles. [end recording]

Dincote Arrests Doctor Linked to Shining Path

PA2502211793 Lima Global de Television Network in Spanish 0000 GMT 25 Feb 93

[Text] The Counterterrorism National Directorate [Dincote] presented another Shining Path member of the People's Aid [Socorro Popular]. This is Alberto Figueroa Gutara, trauma specialist from the Guillermo Almenara Hospital and of the Tesa Clinic.

Another member was added today to the eight members of the Shining Path health support group presented yesterday by the Dincote. The Dincote said that this capture was the result of investigations of the previously arrested doctors and paramedics belonging to the People's Aid, a Shining Path front organization. It is Dr. Alberto Figueroa Guatara, alias Comrade Manuel, who worked a as trauma specialist at the Guillermo Almenara Hospital. According to reports issued by Dincote, Dr. Figueroa acknowledged that he had carried out four surgical operations on Shining Path members wounded in confrontations with the police, after he and his relatives had been physically threatened. Here is what an unidentified Dincote official said:

[Begin Dincote official recording] Any professional, no matter what his line of work is, who is threatened by those movements [word indistinct] one way or another should report this to the authorities. By reporting it, they will not find themselves involved, as in this case, in actions that are considered high treason under the current law on terrorism. [end recording]

El Callao Police Present Five Shining Path Members

PA2602013793 Lima Global de Television Network in Spanish 0000 GMT 25 Feb 83

[Text] The Callao police have presented five members of the Shining Path Annihilation Commando Unit. They are responsible for murders, extorsions, robberies, and vehicle burnings. With the arrest the police managed to dismantle 90 percent of the Shining Path Annihilation and Peruvian People's Assistance [Socorro Popular del Peru] Detachments operating in western El Callao.

The Counterterrorist Command [Jefatura Contra el Terrorismo] in El Callao presented 25-year-old Luis Alberto Prado Ascue, alias Comrade Leo; 30-year-old Gabito Mariano Santiago, alias Comrade Gabriel; and 30-year-old Luis Fernando Laura Alvarez, who are charged with murdering three community leaders and a police officer and with rural bus burnings over the past three months. Twenty- year-old Hidalgo Julca Ayala, alias Comrade Eduardo, and Edwin Genoves Canchari, alias Comrade David, murdered police NCO's Tomas Aquino Ore Nacari and Rubi Alarcon Saavedra, and blew up various institutions in El Callao.

The presentation to the media of the five terrorists, who are also members of the Shining Path Media and Propaganda Detachment in the western zone, took place at the headquarters of the 27th Command, known as the Alipio Ponce Police Station.

Although the seditious material that was seized was not shown to the media, it was reported that firearms, explosives, and leaflets, books, and magazines containing subversive literature were found.

Uruguay

Chile's Pinochet Arrives 'Unexpectedly'

PY2502131293 Montevideo Radio El Espectador Network in Spanish 0830 GMT 25 Feb 93

[Text] General Augusto Pinochet has arrived unexpectedly in Uruguay. He said he was on a private visit for a rest, and that he would return to Chile on Monday, 1 March.

The former de facto president and current commander of the Chilean Army said in a news conference that he had come to Uruguay at the invitation of friends, though he did not identify them.

Although he ruled out any possible official contacts during his stay in Montevideo, Pinochet said he had been welcomed by Lieutenant General Juan Rebollo, Uruguayan Army commander in chief, albeit unofficially.

Pinochet arrived at Carrasco International Airport a little after 1700, and an automobile picked him up from the plane's ladder and took him immediately to the 10th floor of the Victoria Plaza Hotel, where he gave a brief news conference. During the conference he ruled out his candidacy in the next Chilean presidential elections, and added that he is not a politician.

Demonstration Against Pinochet's Presence

PY2602023393 Madrid EFE in Spanish 2332 GMT 25 Feb 93

[Text] Montevideo, 25 Feb (EFE)—The Uruguayan police today used tear gas to break up a demonstration against the presence of General Augusto Pinochet in Montevideo and to protect the bloc of the downtown hotel where the former Chilean president is staying.

According to first reports from witnesses, several union leaders were hurt after the clash in the Plaza Independencia, which is across from the hotel where Pinochet, his wife, and his four bodyguards are staying.

Since early this afternoon several hundred people who were called by the Interunion Workers Plenum-National Workers Convention (PIT- CNT), the main union organization in the country, gathered in downtown Montevideo to repudiate Pinochet's presence in Uruguay.

Carrying signs labeling Pinochet as a "murderer," "murderer of innocent people," and "cruel dictator," the demonstrators sang slogans demanding that the Chilean Army chief leave Uruguayan territory.

Several deputies specially linked to the left saw the demonstration and reported it to the interior minister, calling it "excessive police violence."

The police reacted when the demonstrators tried to get close to the Victoria Plaza Hotel when former "de facto" President Juan Maria Bordaberry arrived for a meeting with Pinochet.

Bordaberry, considered to be one of Pinochet's best friends in Uruguay, headed the 27 June 1973 coup in Uruguay, starting a military period that ended in 1984.

The military leaders then overthrew Bordaberry in 1976 and handed over the government to lawyer Aparicio Mendez, who has passed away, and later in 1981 to Lieutenant General Gregorio Alvarez who is considered to be one of the ideologists of the movement that interrupted democratic institutions for almost 12 years.